

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF PRAIRIE VILLAGE, KANSAS

**Year Ended
December 31, 2010**

Prepared by the Finance and Administration Department

CITY OF PRAIRIE VILLAGE, KANSAS

Comprehensive Annual Financial Report
Year ended December 31, 2010

Table of Contents

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	i - iii
Organizational Overview	iv
Principal Officials	v
2009 Certificate of Achievement for Excellence in Financial Reporting - Government Finance Officers Association	vi
FINANCIAL SECTION	
Independent Auditor's Report on the Basic Financial Statements	1 - 2
Management's Discussion and Analysis	3 - 10
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Assets	11
Statement of Activities	12
Fund Financial Statements	
Balance Sheet - Governmental Funds	13
Reconciliation of the Total Governmental Fund Balances to Net Assets of Governmental Activities	14
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	15
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances with the Government Wide Statement of Activities	16
Statement of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget	
General Fund	17
Solid Waste Management Fund	18
Statement of Fiduciary Net Assets - Fiduciary Funds	19
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds	20
Notes to the Basic Financial Statements	21 - 42
Required Supplementary Information	
Revised Prairie Village Police Pension Plan	
Schedule of Funding Progress	43
Schedule of Employee Contributions	43
Notes to Required Schedules	43

CITY OF PRAIRIE VILLAGE, KANSAS

Comprehensive Annual Financial Report
Year ended December 31, 2010

Table of Contents - Continued

	<u>Page</u>
Required Supplementary Information (Continued)	
Other Post Employment Benefits	
Schedule of Funding Progress	44
Schedule of Employee Contributions	44
Combining Statements and Individual Fund Schedules	
Combining Statements - Nonmajor Funds	
Fund Descriptions	45
Combining Balance Sheet - Nonmajor Special Revenue Funds	46
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	47
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget:	
Special City Street and Highway Fund	48
Special Parks and Recreation Fund	49
Special Alcohol Fund	50
Debt Service Fund	51
Stormwater Fund	52
Fiduciary Fund Descriptions	53
Combining Statement of Fiduciary Net Assets - Fiduciary Funds	54
Combining Statement of Changes in Fiduciary Net Assets - Fiduciary Funds	55
STATISTICAL SECTION	
Net Assets by Component - Last Ten Years	56
Change in Net Assets - Last Ten Years	57
Fund Balances, Governmental Funds - Last Ten Years	58
Changes in Fund Balances of Governmental Funds - Last Ten Years	59
General Government Tax Revenues by Source - Last Ten Years	60
Local Sales Tax Collections – Last Ten Years	61

CITY OF PRAIRIE VILLAGE, KANSAS

Comprehensive Annual Financial Report
Year ended December 31, 2010

Table of Contents - Continued

	<u>Page</u>
Assessed and Estimated Actual Value of Taxable Property - Last Ten Years	62
Property Tax Rates - Direct and Overlapping Governments - Per \$1,000 of Assessed Valuation - Last Ten Years	63
Principal Taxpayers	64
Property Tax Levies and Collections	65
Outstanding Debt by Type	66
Ratio of Net General Obligation Bonded Debt to Assessed Value And Net General Obligation Debt per Capita	67
Direct and Overlapping Governmental Activities Debt	68
Computation of Legal Debt Margin	69
Demographic Statistics	70
Principal Employers	71
Operating Indicators by Function/Program	72
Full Time City Employees by Function/Program	73
Capital Asset Statistics by Function/Program	74



THE CITY OF PRAIRIE VILLAGE

STAR OF KANSAS

June 17, 2011

To the Mayor, Members of the City Council and Residents of the City of Prairie Village:

We are pleased to submit the comprehensive annual financial report (CAFR) of the City of Prairie Village, Kansas (City) for the year ended December 31, 2010. Provisions of Kansas State Statutes require the City's financial records to be audited by an independent certified public accountant each year. The report of the auditors has been included as part of this report, located on page 1.

Responsibility for both the accuracy of the data and completeness and fairness of presentation of these financial statements rests with City management. City management is responsible for establishing and maintaining an internal control structure designed to earn the public's confidence and trust. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Management's discussion and analysis immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. Management's discussion and analysis complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Prairie Village was originally the vision of the late J.C. Nichols. After successfully developing the Country Club Plaza area in Kansas City, Missouri, Mr. Nichols turned his company direction and development toward his native Johnson County just a few miles from the Plaza. He had visions of transforming the rolling hills into a well-planned community of beautiful homes and neighborhood shopping centers. Construction in Prairie Village started in 1941 and Mr. Nichols' dream became reality in 1949 when the City was named the best-planned community in America by the National Association of Home Builders.

The State of Kansas officially recognized Prairie Village as a city in 1951 with a total population of 1,360 and land area of one-half mile. By 1957, it had become a city of the first class. Now, it is one of 19 incorporated cities in Johnson County and has the sixth largest population. It is completely surrounded by other cities, sharing its eastern border, State Line Road, with Kansas City, Missouri. The City has a residential population of approximately 21,500 within its 6.7 square mile city limits.

The City operates under the Mayor-Council form of government with an appointed professional City Administrator. The City is divided into six wards with two councilpersons elected from each ward to serve staggered four-year terms. The Mayor is elected by the City at large for a four-year term. The City Administrator has responsibility for administration of all City programs and departments in accordance with policies and the annual budget adopted by the Council.

City government provides a wide range of services including: police protection and safety programs; construction and maintenance of streets, storm drainage and infrastructure; summer recreational activities and year-round cultural events; residential waste collection, recycling and composting services; and other general services for residents. Fire and health services are provided by the County; utilities are a service provided by the private sector.

The financial reporting entity includes all the funds of the City as legally defined. Component units are legally separate entities for which the primary government is financially accountable. The City has no component units.

In addition to general City activities, the governing body exercises or has the ability to exercise oversight of the revised Prairie Village Police Pension Plan Fund and the Supplemental Retirement Plan Fund; therefore, these activities are included in the report.

Local Economy

The City is located in the Kansas City metropolitan area and is considered one of the most desirable suburban communities in the region. The City is conveniently located between the Kansas City, Missouri business/industrial center and the southern Johnson County business districts. The area has experienced steady economic growth during the past two decades, resisting the effects of the cyclical declines in the national economy over the last ten years.

Although the City is fully-developed and land-locked, the value of tangible property in Prairie Village has increased considerably over the past ten years. During the same timeframe, Johnson County as a whole has experienced substantial growth in the commercial sector of the economy, with retail and office complexes providing the strongest growth. The area has generally maintained a long period of low unemployment, which is reflected by, and results in, a continuation of the stable economic condition of the entire region. The City, as well as Johnson County continues to experience the effects of the national economy but not to the extent that many other cities, counties and states have in other parts of the country.

Based on current projections, the City will continue to be a desired location for those who work in the metropolitan area. The City is committed to a program for maintenance of the community and future redevelopment, which will contribute to the quality of life for all of the City's residents.

Long Range Financial Plan

In 2001, the Mayor appointed a committee of Council members to analyze financial trends and the economic condition of the community. The committee established a long range financial plan which is used to develop the City's annual budget. In addition, the City engaged consultants in 2005 to prepare a financial analysis to include recommendations for changes that would stabilize the population and revenue base. The City Council adopted the "Village Vision" document in May 2007 and will use this document to guide them in strategic planning efforts to insure the viability of this community for the future.

2010 Major Initiatives

As a part of the preparation for the 2010 annual budget, the following priorities were established and achieved by the City Council:

- ❖ Ensure items in the budget have a sustainable budget impact
- ❖ Attend to infrastructure needs
- ❖ Be mindful of the tax burden
- ❖ Continue implementation of The Village Vision Strategic Investment Plan

Prairie Village is a desirable community in which to live because of its location, the quality of infrastructure and housing maintenance, the school system, and its sense of community, which pervades the services provided to residents. This milieu has created a gradual change, which significantly increased property values and is transforming the landlocked, fully developed, and aging City into a community which continues to experience improvement and redevelopment of residential and commercial property.

2010 Relevant Financial Policies

In addition to the major initiatives discussed above, the 2010 budget reflected several financial policies the City has established.

- ❖ Maintain a sense of place and a sense of community
- ❖ Review new revenue opportunities
- ❖ Maintain financial strength of the City
- ❖ Assess and plan for technology needs
- ❖ Continue current service levels

Other Information

Awards and acknowledgements. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended December 31, 2009. This was the twenty-fourth consecutive year the government received this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized CAFR. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Award for Distinguished Budget Presentation for its annual appropriated budget for the fiscal year beginning January 1, 2010. This is the twenty-second year the City has received this prestigious award. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including policy documentation, financial planning, and organizational guidance.

The preparation of the CAFR on a timely basis was made possible by the dedicated service of City staff. Those individuals who contributed to the preparation of this report have our sincere appreciation for their efforts.

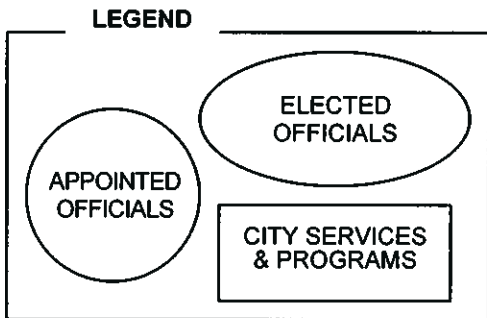
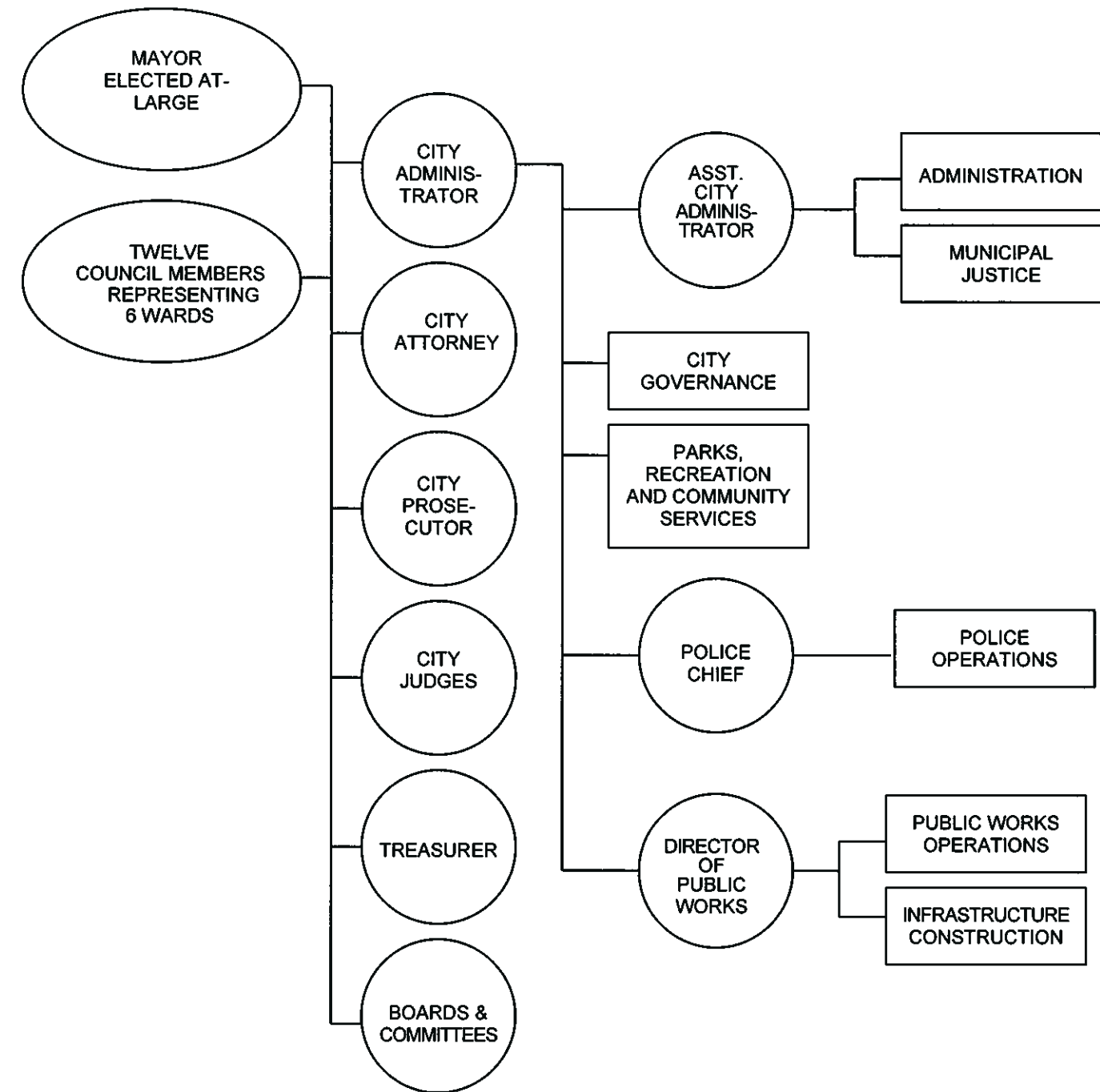
Although City staff accomplished the preparation and documentation of this report, it is the leadership and support of the governing body that provides the policy direction and financial integrity on which the report is based.

Respectfully submitted,



Lisa Santa Maria
Finance Director

CITY OF PRAIRIE VILLAGE, KANSAS
ORGANIZATIONAL OVERVIEW



CITY OF PRAIRIE VILLAGE, KANSAS

PRINCIPAL OFFICIALS - 2010

Elected Officials

Mayor	Ronald L. Shaffer
Council Member - Ward 1	Al Herrera
Council Member - Ward 1	Dale Warman
Council Member - Ward 2	Steve Noll
Council Member - Ward 2	Ruth Hopkins
Council Member - Ward 3	Michael Kelly
Council Member - Ward 3	Andrew Wang
Council Member - Ward 4	Laura Wassmer
Council Member - Ward 4	Dale Beckerman
Council Member - Ward 5	David Morrison
Council Member - Ward 5	Charles Clark
Council Member - Ward 6	David Belz
Council Member - Ward 6	Diana Ewy Sharp

Appointed Officials

City Administrator	Quinn Bennion
Assistant City Administrator	Dennis Enslinger
Chief of Police	Wes Jordan
Director of Public Works	Bruce McNabb
City Clerk	Joyce Hagen Mundy
City Attorney	Catherine Logan
Assistant City Attorney	Stephen Horner
Municipal Judge	M. Bradley Watson
Municipal Judge	Mary Virginia Clarke
City Treasurer	Fielding Norton, Jr.

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Prairie Village
Kansas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

LOWENTHAL, WEBB & ODERMANN, P.A.

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INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Prairie Village, Kansas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Prairie Village, Kansas, as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the "Kansas Municipal Audit Guide". Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Prairie Village, Kansas, at December 31, 2010, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund and the Solid Waste Management Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10 and the schedules of funding progress and schedules of employer contributions on pages 43 and 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. We did not audit the data included in the introductory and statistical sections of this report and therefore, we express no opinion on them.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section and the combining and individual nonmajor fund financial statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying account and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Lowenthal, Wett & Odenmann, P.A.

June 17, 2011

CITY OF PRAIRIE VILLAGE, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year Ended December 31, 2010

(Unaudited)

This section of the report contains an overview and analysis of the City of Prairie Village's financial statements for the fiscal year ended December 31, 2010. It should be read in conjunction with the letter of transmittal on page i and the City's financial statements, which begin on page 11.

Financial Highlights

- As a result of the fiscal year's activity, the City's net assets increased by \$914,379, the majority of which is due to an increase in capital assets.
- The City implemented new financial software in 2010. In developing and evaluating the City's accounting system, consideration was given to the adequacy of internal controls.
- The City approved the establishment of Community Improvement Districts at Corinth Square Shopping Center and Prairie Village Shops. Corinth Square and Prairie Village Shops will collect an additional 1% sales tax effective January 1, 2011. The additional 1% sales tax will be in effect for a maximum of 22 years.
- As part of the Parks master Plan, Franklin Park was renovated. The cost of renovation was just under \$1.0 million.

The Basic Financial Statements

This annual report consists of a series of financial statements. The basic financial statements include the government-wide financial statements and the fund financial statements. The notes to the financial statements follow the statements and are essential for the reader's understanding of the financial statements. The remaining statements provide other supplementary information for the reader.

Government-wide financial statements. The government-wide financial statements have been prepared using the accrual basis of accounting. The focus of these statements is the City's long-term financial picture. All of the fiscal year's revenues and expenses have been reported, regardless of when cash is received or disbursed.

The *Statement of Net Assets* reports all of the City's assets and liabilities. Net assets, which are the difference between those assets and liabilities, are an important measure of the City's overall financial health. Changes in net assets over time help the reader determine whether the City's financial health is improving or deteriorating.

The *Statement of Activities* explains how revenues and expenses of the City affected net assets during the fiscal year. A unique feature of this statement is how it reports the revenues and expenses of specific programs, and how much of those programs were supported by general revenues such as taxes.

In preparing the government-wide financial statements, management has considered all separate legal entities in which the City could be considered financially accountable for. There are no component units which the City is considered to be financially accountable.

Fund financial statements. A fund is a separate entity with a set of self-balancing accounts for the purpose of carrying on specific activities or attaining certain objectives in accordance with regulations, restrictions or limitations. The fund financial statements provide information about the most significant funds, not the City as a whole. The City uses two types of funds to manage its resources: *governmental funds* and *fiduciary funds*.

Governmental funds. All of the City's basic services are reported in governmental funds, which are prepared using the modified accrual basis of accounting. Under the modified basis, revenues are recognized when they become measurable and available, while expenditures are recognized when the related liability is incurred. An exception to this is long-term debt and similar items, which are recorded when due. The focus of these reports is on the short-term financial resources available to the specific function rather than the City as a whole. The reconciliation at the end of the fund financial statements details the relationship between the two types of financial statements.

CITY OF PRAIRIE VILLAGE, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year Ended December 31, 2010
(Unaudited)

Fiduciary funds. Resources held by the City for the benefit of a third party are reported in fiduciary funds. Although these resources are not available for operations, and therefore not presented in the government-wide financial statements, the City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the financial statements. The notes to the financial statements are an integral part of the basic financial statements, containing valuable information necessary for gaining a better understanding of the City's financial statements.

Other information. In addition to the basic financial statements and notes described above, required supplementary information regarding the City's funding of its Police Pension Plan has been included to give the reader further insight into the City's pension plan results. The Statistical Section provides statistical data about the City.

Analysis of the Government-wide Financial Statements

Net Assets. The combined net assets of the City as of December 31 were:

	Restated 2009	2010	Percentage Change
Current and other assets	\$ 29,189,077	\$ 25,048,408	-14.19%
Capital assets	60,911,619	65,633,332	7.75%
Total assets	<u>\$ 90,100,696</u>	<u>\$ 90,681,740</u>	0.64%
Long-term liabilities	\$ 8,576,676	\$ 6,792,300	-20.80%
Other liabilities	12,033,934	13,484,975	12.06%
Total liabilities	<u>20,610,610</u>	<u>20,277,275</u>	-1.62%
Net assets:			
Invested in capital assets, net of related debt	50,545,290	57,070,636	12.91%
Restricted	233,847	241,470	3.26%
Unrestricted	<u>18,710,949</u>	<u>13,092,359</u>	-30.03%
Total net assets	<u>69,490,086</u>	<u>70,404,465</u>	1.32%
Total liabilities & net assets	<u>\$ 90,100,696</u>	<u>\$ 90,681,740</u>	0.64%

The 2009 column has been restated to correct the classifications of net assets to include the proper calculation of Net Assets - Invested in capital assets, net of related debt.

The City's combined net assets increased by \$914,379 or 1.32% from 2009 to 2010. The majority of that increase was due to an increase in capital assets.

CITY OF PRAIRIE VILLAGE, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year Ended December 31, 2010
(Unaudited)

Statement of Activities. The table below shows the condensed revenues, expenses and changes in net assets for 2009 and 2010.

	<u>2009</u>	<u>2010</u>	<u>Change</u>
REVENUES			
Program Revenues			
Fines, fees and charges for services	\$ 5,960,739	\$ 6,259,934	5.02%
Operating grants and contributions	37,890	183,067	383.15%
Capital grants and contributions	354,076	231,556	-34.60%
General revenues:			
Property taxes	5,265,998	5,278,073	0.23%
Sales and use taxes	4,839,903	4,843,179	0.07%
Other taxes	2,261,507	2,343,465	3.62%
Other revenues	1,125,249	1,173,443	4.28%
Total revenues	<u>19,845,362</u>	<u>20,312,717</u>	2.35%
EXPENSES			
Urban management and planning	3,354,849	3,272,655	-2.45%
Public works	8,834,376	9,767,738	10.57%
Public safety	5,453,093	5,111,387	-6.27%
Municipal Justice	389,952	370,192	-5.07
Leisure, recreation and education	713,252	689,398	-3.34%
Interest on long-term debt	88,186	186,968	112.02%
Total expenses	<u>18,833,708</u>	<u>19,398,338</u>	3.00%
Increase/(decrease) in net assets	1,011,654	914,379	-9.62%
Prior period adjustment	14,265	-	
Net assets, January 1	<u>68,464,167</u>	<u>69,490,086</u>	
Net assets, December 31	<u>\$ 69,490,086</u>	<u>\$ 70,404,465</u>	1.32%

Overall, total revenues increased by 2.35%. The increase is mostly due to the Stormwater Utility Fee established in 2009.

Tax source revenues (property, sales/use and franchise) continue to account for a majority of the City's revenues. Tax source revenues account for 61.0% of total revenues in 2010 compared with 62.0% in 2009. Sales and use taxes and Property Taxes held steady in 2010.

Another significant change in City revenues was the increase in operating grants and contributions. In 2010, the City received reimbursements under the STEP Grant program administered by the Kansas Department of Transportation, the Work Study program administered by the University of Kansas and the Community Development Block Grant (CDBG) which is administered by the U.S Department of Housing and Urban Development (HUD). In 2009, the city received reimbursements from the STEP Grant, Safe Routes to School Grant and the Byrne Grant.

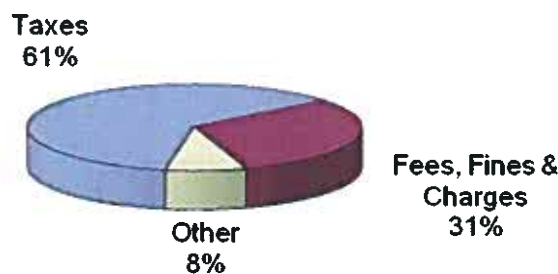
Interest earnings also decreased during 2010 due to the economy and the low interest rates that prevailed in 2010.

Total expenses for 2010 were higher when compared with 2009, increasing 3%. Interest on long-term debt increased in 2010 because of the debt issued in 2009. Also, Public Works expenses increased due to an increase in project costs for which some of the expenses were not capitalized due to the nature of the expenses.

CITY OF PRAIRIE VILLAGE, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year Ended December 31, 2010
(Unaudited)

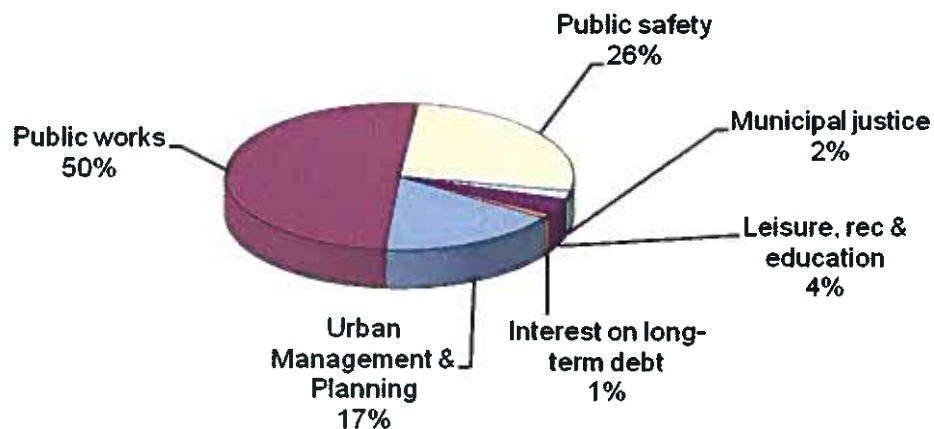
As illustrated by the following graphs, 61% of the City's revenues are tax-related. Another 31% are directly related to the City's solid waste management assessments, stormwater assessments and public safety agreement with the City of Mission Hills.

Sources of Revenue - 2010



The second graph illustrates that public works expenses, which include the depreciation of City infrastructure assets, comprise the largest use of resources.

Expenses by Function - 2010



CITY OF PRAIRIE VILLAGE, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year Ended December 31, 2010
(Unaudited)

The net cost of each program is an important indicator of the financial burden placed on revenues, primarily tax sources. As shown below, \$12.7 million of the cost of services was paid by the City's tax payers.

	Total Cost of Services			Net Cost of Services		
	2009	2010	%Chg	2009	2010	%Chg
Governmental						
Urban management and planning	\$ 3,354,849	\$ 3,272,655	-2.5%	\$ 1,572,134	\$ 1,364,444	-13.2%
Public works	8,834,376	9,767,738	10.6%	6,981,800	8,017,355	14.8%
Public safety	5,453,093	5,111,387	-6.3%	3,216,842	2,572,373	-20.0%
Municipal Justice	389,952	370,192	-5.1%	346,639	366,366	5.7%
Leisure, recreation and education	713,252	689,398	-3.3%	275,402	216,275	-21.5%
Interest on long-term debt	88,186	186,968	112.0%	88,186	186,968	112.0%
Total governmental activities	\$18,833,708	\$19,398,338	3.0%	\$12,481,003	\$12,723,781	1.9%

Additional information about program and general revenues may be found on the Statement of Activities located on page 12.

Analysis of the Fund Financial Statements

General Fund. Fund balance decreased 1.35% in the General Fund as a result of increased expenditures in 2010.

Solid Waste Management Fund. Fund balance increased as a result of not spending 100% of the 2010 budget.

Bond and Interest Fund. The City issued general obligation bonds in 2009 to provide funds for the acquisition and construction of major capital facilities such as the swimming pool, various public parks, and the public safety facility.

Capital Projects Fund. The City's Capital Projects Fund accounts for major infrastructure improvement project expenditures. The significant decrease in fund balance is due to the issuance of the Series 2009A bonds in 2009. The bonds were issued to accelerate projects included in the City's four-year Capital Improvement Plan and take advantage of low construction prices.

Economic Development Fund. The only revenue source for this fund is interest earnings, which were lower than in 2009 due to low interest rates. In addition, there were two projects charged to this fund in 2010: the Exterior Grant Program and the KCADC Joint Membership with the Chamber.

Stormwater Fund. This fund was established at the end of 2008. It is used to account for the stormwater utility fee and the related stormwater management activities. The stormwater fee appeared on the December 2009 tax bills, the receipts from which are used to fund 2010 operations. All of the funds collected were used in stormwater management activities.

Other Governmental Funds. The fund balance for these funds decreased by less than 1% due to an increase in expenditures in the Equipment Reserve Fund and Risk Management Fund. The expenditures for the financial software system and the website redesign are in the Equipment Reserve Fund. Risk Management expenditures include insurance claims and deductibles.

General Fund Budget

The legally adopted budget for the General Fund was not amended by the City Council during 2010. Departments within the City are allowed to transfer budget between line items within programs and between

CITY OF PRAIRIE VILLAGE, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year Ended December 31, 2010
(Unaudited)

programs within the department. In addition, allocations of contingency budget are recorded as a budget transfer to the affected program. As a result of these budget transfers, the original budget and the final budget in some programs may not be the same.

The following revenue and expenditure categories experienced significant differences between the final budget amount and the actual amount. The explanation of the difference is also included.

Category	Explanation
Intergovernmental	The decrease in this revenue source is a result of a lower Liquor Tax distribution than budgeted for 2010.
Fines & Forfeitures	Fewer tickets were written by officers in 2010 than in 2009.
Interest	Interest rates in 2010 decreased from 2009 and remained low throughout the year.
Other	Sales of fixed assets and miscellaneous income were both less than budgeted for 2010. Both of these revenue items are difficult to predict and depend on what fixed assets are sold or what miscellaneous transactions occur.
Mayor & Council	The budget includes funding for consultants that may be needed by the Council during the year. In 2010, the Council did not utilize the full budget for consultants. In addition, the Council did not utilize the full budget for training and conferences.
Management & Planning	This program budget includes funding for consultants to assist with planning services. In 2010 the budget for consultants was not utilized. The budget for training and dues was also not fully utilized.
Information Technology	In 2010, the City spent less on IT consulting services than budgeted. In 2010, all software maintenance contracts, except PD and Court were also consolidated to this program. The 2010 budget for these services was lower than planned.
Legal Services	The amount of legal expenditures depends on the contracts reviewed; ordinances drafted, law suits, etc. In 2010 the City did not utilize the full budget for legal services. These services are provided at an hourly rate.
Public Works Administration	In 2010, the part-time clerk position was eliminated. The 2010 budget for personal services was not utilized in full due to the elimination of the part –time position.
Vehicle Maintenance	Fuel was the reason for this program being under budget. Fuel prices were lower in 2010 than what was planned during the 2010 budget process.
Drainage Op & Maint	Contract services, which includes fuel and equipment maintenance costs were lower than budgeted in 2010.
PS Center Ops & Maint	This was a new program in 2010. Expenditures in 2007 – 2009 were included in the Public Safety Administration program. Contract services were lower than budgeted in 2010 due to the movement of the budget from the Public Safety Administration program. This change is a consolidation of building maintenance responsibilities and budget that began in 2009.
Staff Services	Contract services were lower than budgeted in 2010 due to moving the cost of the phone system to the Public Safety Center Operations & Maintenance program within the Public Works Department. This was part of the consolidation of all building operation and maintenance activities to Public Works. There were also less repair expenditures than estimated in 2010.
Community Policing	Personal services were less than budgeted due to the Crime Prevention Officer position was not staffed for a portion of 2010.

CITY OF PRAIRIE VILLAGE, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year Ended December 31, 2010
(Unaudited)

Investigations	Personal services were less than budgeted due to a movement of personal in Public Safety. There were several months when this program was not fully staffed.
Special Investigations	Personal services were less than budgeted due to a movement of personal in Public Safety. There were several months when this program was not fully staffed.
Traffic	Personal services were less than budgeted due to a movement of personal in Public Safety. There were several months when this program was not fully staffed.
Swimming Pool	This program's difference between budget and actual was due to overtime savings from new scheduling procedures. Also, the City spent less on chemicals than was budgeted for 2010.
Swimming Pool and Food Service	This program's difference between budget and actual was due to overtime savings from new scheduling procedures. Also, the City was more efficient with food inventory and experienced less waste.

Capital Assets and Long-Term Debt Activity

Capital Assets. As presented below, the total amount invested in capital assets (net of accumulated depreciation) by the City at December 31, 2010 was \$65.6 million. Capital assets increased 7.75% from 2009.

NETWORK	<u>2009</u>	<u>2010</u>	<u>%Chg</u>
Land	\$ 13,861,866	\$ 13,861,866	0.00%
Buildings	3,865,348	3,726,193	-3.60%
Improvements other than buildings	977,624	938,245	-4.03%
Furniture and equipment	1,199,706	1,544,900	28.77%
Infrastructure	40,473,445	37,789,876	-6.63%
Construction in progress	533,630	7,772,252	1356.49%
Total	<u>\$ 60,911,619</u>	<u>\$ 65,633,332</u>	7.75%

Improvements other than buildings and buildings decreased due to continued depreciation of these assets. Furniture and equipment increased due to capitalization of the financial software, in-car laptop replacements and in-car video system replacements. Infrastructure decreased due to projects open at the end of 2009. Construction in progress increased because many of the 2010 projects were not completed until early 2011.

Additional information regarding the City's capital assets can be found in Note I, Item C, Section 5, as well as Note III, Item C.

Long-term debt activity. As of December 31, 2010, the City had \$8,562,696 of outstanding general obligation bonds. Of the balance outstanding, 90% will be paid off within the next five years.

Attesting to the City's favorable economic conditions and sound financial management, Prairie Villages' bond rating remains at Aaa. The City received a credit rating of Aa1 from Moody's Investor Service, Inc., which represents the second-highest possible rating from Moody's from 1995 to 2008.

Additional information regarding the City's long-term debt activity can be found in Note III, Item F.

CITY OF PRAIRIE VILLAGE, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year Ended December 31, 2010
(Unaudited)

Requests for Information

This report is intended to give the reader a general overview of the City's finances. Questions about information contained in this report or requests for additional information should be directed to the Finance Director, 7700 Mission Rd, Prairie Village, Kansas 66208.

CITY OF PRAIRIE VILLAGE, KANSAS

STATEMENT OF NET ASSETS

December 31, 2010

Assets

Current assets:

Cash and investments	\$ 13,774,473
Tax receivable (net of uncollectibles)	5,414,489
Special assessments receivable (net of uncollectibles)	3,234,359
Other receivable	565,025
Due from other governments	1,908,421
Prepaid expenses	84,468
Restricted cash and investments	<u>67,173</u>
Total current assets	<u>25,048,408</u>

Capital assets:

Capital assets not being depreciated:

Land	13,861,866
Construction in progress	<u>7,772,252</u>
Total capital assets not being depreciated	<u>21,634,118</u>

Capital assets being depreciated	131,291,785
Less: accumulated depreciation	<u>87,292,571</u>
Total capital assets being depreciated, net	<u>43,999,214</u>

Total capital assets, net	<u>65,633,332</u>
---------------------------	-------------------

Total assets	<u>\$ 90,681,740</u>
--------------	----------------------

Liabilities

Current liabilities:

Accounts payable	\$ 1,622,553
Accrued payroll	105,999
Payable from restricted assets	67,173
Unearned revenue	9,521,027
Accrued interests on long-term debt	58,758
Current portion of compensated absences	305,832
Current portion of general obligation bonds	<u>1,803,633</u>
Total current liabilities	<u>13,484,975</u>

Noncurrent liabilities:

Net other post employment benefit obligation	13,407
Net pension obligation	19,830
General obligations bonds payable	<u>6,759,063</u>
Total noncurrent liabilities	<u>6,792,300</u>

Total liabilities	<u>\$ 20,277,275</u>
-------------------	----------------------

Net Assets

Invested in capital assets, net of related debt	\$ 57,070,636
Restricted	
Debt service	35,287
Solid waste management	179,953
Special alcohol	26,230
Unrestricted	<u>13,092,359</u>
Total net assets	<u>\$ 70,404,465</u>

The notes to the financial statements are an integral part of this statement.

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CITY OF PRAIRIE VILLAGE, KANSAS

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2010

	Expenses	Program Revenues			Net [expense] Revenue and Changes in Net Assets-Govt Activities
		Fees, fines, and charges for services	Operating grants and contributions	Capital grants and contribution	
Governmental activities:					
Urban management and planning	\$ 3,272,655	\$ 1,905,694	\$ 2,517	\$ -	\$ [1,364,444]
Public works	9,767,738	1,550,652	169,534	30,197	[8,017,355]
Public safety	5,111,387	2,326,639	11,016	201,359	[2,572,373]
Municipal justice	370,192	3,826	-	-	[366,366]
Leisure and recreation	689,398	473,123	-	-	[216,275]
Interest on long-term debt	186,968	-	-	-	[186,968]
Total governmental activities	\$ 19,398,338	\$ 6,259,934	\$ 183,067	\$ 231,556	[12,723,781]
General Revenues:					
Property taxes levied for					
General purposes					5,014,399
Debt service					263,674
Sales and use tax					4,843,179
Motor vehicle tax					551,285
Franchise tax					1,792,180
Grants and contributions not restricted to specific programs					935,569
Investment earnings					126,307
Miscellaneous					111,567
Total general revenues					13,638,160
Change in net assets					914,379
Net assets - beginning					69,490,086
Net assets - ending					\$ 70,404,465

The notes to the financial statements are an integral part of this statement.

CITY OF PRAIRIE VILLAGE, KANSAS

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2010

	<u>General</u>	<u>Solid Waste Management</u>	<u>Bond and Interest</u>
ASSETS			
Cash and investments	\$ 3,992,898	\$ 299,456	\$ 35,410
Receivables			
Taxes	4,072,074	-	1,342,415
Special assessments	-	1,669,160	-
Miscellaneous	554,207	-	-
Due from other governments	894,516	-	-
Due from other fund	7,416	-	-
Prepaid expenditures	83,530	-	-
Restricted assets	67,173	-	-
Total assets	<u>\$ 9,671,814</u>	<u>\$ 1,968,616</u>	<u>\$ 1,377,825</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 279,465	\$ 119,503	\$ -
Accrued payroll	105,053	-	-
Due to other funds	79,874	-	-
Payable from restricted assets	67,173	-	-
Deferred revenue	4,306,144	1,669,160	1,342,538
Total liabilities	<u>4,837,709</u>	<u>1,788,663</u>	<u>1,342,538</u>
Fund balance:			
Reserved for encumbrances	140,077	-	-
Reserved for debt service	-	-	35,287
Reserved for prepaid expenditures	83,530	-	-
Unreserved			
Undesignated, reported in:			
General fund	4,610,498	-	-
Special revenue funds	-	179,953	-
Capital projects fund	-	-	-
Total fund balance	<u>4,834,105</u>	<u>179,953</u>	<u>35,287</u>
Total liabilities and fund balances	<u>\$ 9,671,814</u>	<u>\$ 1,968,616</u>	<u>\$ 1,377,825</u>

<u>Stormwater</u>	<u>Economic Development</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 261,343	\$ 2,147,282	\$ 6,283,383	\$ 754,701	\$ 13,774,473
-	-	-	-	5,414,489
1,565,199	-	-	-	3,234,359
-	-	-	10,818	565,025
-	-	865,000	148,905	1,908,421
-	-	127,508	79,874	214,798
-	-	-	938	84,468
-	-	-	-	67,173
<u>\$ 1,826,542</u>	<u>\$ 2,147,282</u>	<u>\$ 7,275,891</u>	<u>\$ 995,236</u>	<u>\$ 25,263,206</u>
\$ -	\$ -	\$ 806,003	\$ 20,327	\$ 1,225,298
-	-	-	946	105,999
-	-	-	134,924	214,798
-	-	-	-	67,173
1,565,199	-	865,000	-	9,748,041
<u>1,565,199</u>	<u>-</u>	<u>1,671,003</u>	<u>156,197</u>	<u>11,361,309</u>
-	-	-	-	140,077
-	-	-	-	35,287
-	-	-	938	84,468
-	-	-	-	4,610,498
261,343	2,147,282	-	838,101	3,426,679
-	-	5,604,888	-	5,604,888
<u>261,343</u>	<u>2,147,282</u>	<u>5,604,888</u>	<u>839,039</u>	<u>13,901,897</u>
<u>\$ 1,826,542</u>	<u>\$ 2,147,282</u>	<u>\$ 7,275,891</u>	<u>\$ 995,236</u>	<u>\$ 25,263,206</u>

The notes to the financial statements are an integral part of this statement

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CITY OF PRAIRIE VILLAGE, KANSAS

RECONCILIATION OF THE TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
December 31, 2010

Total Governmental Fund Balances \$ 13,901,897

Amounts reported for governmental activities in the
statement of net assets are different because

Capital assets used in governmental activities are not financial resources
and therefore are not reported in the funds. Those assets consist of:

Land	13,861,866	
Construction in progress	7,772,252	
Infrastructure	118,081,998	
Buildings and improvements	7,955,658	
Vehicles and equipment	<u>5,254,129</u>	
	152,925,903	
Accumulated depreciation	<u>87,292,571</u>	65,633,332

Long-term liabilities, including bonds payable, are not due and payable in
the current period and accordingly are not reported as fund liabilities.
Interest on long-term debt is not accrued in governmental funds, but rather
is recognized as an expenditure when due. All liabilities, both current
and long-term, are reported in the statement of net assets as follows:

General obligation bonds payable	8,562,696	
Interest payable	<u>58,758</u>	[8,621,454]

Some expenses reported in the statement of activities do not require
the use of current financial resources and therefore are not reported
as expenditures in governmental funds.

Street lighting/traffic signal billings		[397,255]
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The City's costs for post-employment benefits other than pensions are
not reported as expenditures in the governmental funds

Net other post employment benefit obligation		[13,407]
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The City's costs for the police pension are
not reported as expenditures in the governmental funds

Net pension obligation		[19,830]
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The City's employee leave balances reported in the statement of activities
do not require the use of current financial resources and therefore
are not reported as expenditures in governmental funds.

Compensated absences		[305,832]
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Some of the City's revenues will be collected after year end, but are neither
measurable or available as current financial resources. Therefore,
these revenues are reported as deferred revenue in the funds.

Electric franchise fees		<u>227,014</u>
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Net Assets of Governmental Activities		<u>\$ 70,404,465</u>
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The notes to the financial statements are an integral part of this statement.

CITY OF PRAIRIE VILLAGE, KANSAS

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2010

	<u>General</u>	<u>Solid Waste Management</u>	<u>Bond and Interest</u>	<u>Stormwater</u>
Revenues				
Taxes	\$ 12,159,216	\$ -	\$ 305,501	\$ -
Intergovernmental	78,666	-	-	-
Licenses and permits	436,285	2,013	-	2,870
Charges for services	1,717,491	1,477,493	-	1,470,947
Fines and forfeitures	992,645	-	-	-
Recreational fees	473,123	-	-	-
Use of money and property	29,599	5,168	1,283	3,152
Other	44,834	7,549	-	-
Total revenues	<u>15,931,859</u>	<u>1,492,223</u>	<u>306,784</u>	<u>1,476,969</u>
Expenditures				
Current:				
Urban management and planning	1,688,100	1,490,908	-	-
Public works	5,007,399	-	-	3,075
Public safety	5,305,811	-	-	-
Municipal justice	393,875	-	-	-
Leisure and recreation	505,703	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	1,790,000	-
Interest and other charges	-	-	169,654	-
Total expenditures	<u>12,900,888</u>	<u>1,490,908</u>	<u>1,959,654</u>	<u>3,075</u>
Excess [deficiency] of revenues over [under] expenditures	<u>3,030,971</u>	<u>1,315</u>	<u>[1,652,870]</u>	<u>1,473,894</u>
Other financing sources [uses]				
Transfers in	443,551	-	1,668,144	-
Transfers [out]	<u>[3,540,902]</u>	<u>-</u>	<u>-</u>	<u>[1,212,551]</u>
Total other financing sources [uses]	<u>[3,097,351]</u>	<u>-</u>	<u>1,668,144</u>	<u>[1,212,551]</u>
Net change in fund balances	[66,380]	1,315	15,274	261,343
Fund balances, beginning	<u>4,900,485</u>	<u>178,638</u>	<u>20,013</u>	<u>-</u>
Fund balances, ending	<u>\$ 4,834,105</u>	<u>\$ 179,953</u>	<u>\$ 35,287</u>	<u>\$ 261,343</u>

<u>Economic Development</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 12,464,717
-	30,197	1,123,156	1,232,019
-	-	-	441,168
-	-	-	4,665,931
-	-	-	992,645
-	-	-	473,123
15,133	67,914	4,058	126,307
-	2,073	64,660	119,116
<u>15,133</u>	<u>100,184</u>	<u>1,191,874</u>	<u>20,515,026</u>
48,229	-	111,179	3,338,416
-	-	-	5,010,474
-	-	81,107	5,386,918
-	-	-	393,875
-	-	15,000	520,703
-	8,731,341	712,521	9,443,862
-	-	-	1,790,000
-	-	-	169,654
<u>48,229</u>	<u>8,731,341</u>	<u>919,807</u>	<u>26,053,902</u>
<u>[33,096]</u>	<u>[8,631,157]</u>	<u>272,067</u>	<u>[5,538,876]</u>
-	2,927,784	530,902	5,570,381
-	[5,958]	[810,970]	[5,570,381]
-	2,921,826	[280,068]	-
[33,096]	[5,709,331]	[8,001]	[5,538,876]
<u>2,180,378</u>	<u>11,314,219</u>	<u>847,040</u>	<u>19,440,773</u>
<u>\$ 2,147,282</u>	<u>\$ 5,604,888</u>	<u>\$ 839,039</u>	<u>\$ 13,901,897</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PRAIRIE VILLAGE, KANSAS

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES WITH THE GOVERNMENT WIDE STATEMENT OF ACTIVITIES**
For the Year Ended December 31, 2010

Total Net Change In Fund Balances - Governmental Funds	\$ [5,538,876]
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Amounts reported for governmental activities in the statement of activities are different because

Capital outlays to purchase or build assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceeds depreciation in the period.

Capital outlays	9,231,166	
Depreciation expense	<u>[4,509,453]</u>	4,721,713

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount by which interest decreased.

[17,314]

Some street lighting and traffic signals do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

[6,286]

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

-

Expenditures for pensions are not considered expenditures in government funds

[19,053]

Expenditures for post employment benefits other than pensions are not considered expenditures in government funds

[207]

Some expenses will utilize future financial resources and are not considered expenditures in governmental funds.

[29,231]

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets.

1,803,633

Changes In Net Assets of Governmental Activities

\$ 914,379

CITY OF PRAIRIE VILLAGE, KANSAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
GENERAL FUND
For the Year Ended December 31, 2010

	GAAP Basis Actual	Adjustments Adjustments	Budgetary Basis Actual	Budgeted Amounts		Variance Positive [Negative]
				Original	Final	
Revenues						
Taxes	\$ 12,159,216	\$ -	\$ 12,159,216	\$ 12,576,734	\$ 12,576,734	\$ [417,518]
Intergovernmental	78,666	-	78,666	91,000	91,000	[12,334]
Licenses and permits	436,285	-	436,285	458,700	458,700	[22,415]
Charges for services	1,717,491	-	1,717,491	1,688,000	1,688,000	29,491
Fines and forfeitures	992,645	-	992,645	1,113,500	1,113,500	[120,855]
Recreation fees	473,123	-	473,123	472,000	472,000	1,123
Interest	29,599	-	29,599	150,000	150,000	[120,401]
Other	44,834	-	44,834	60,000	60,000	[15,166]
Total revenues	15,931,859	-	15,931,859	16,609,934	16,609,934	[678,075]
Expenditures						
Urban management and planning						
City Governance						
Mayor and council	93,808	[8,500]	85,308	151,418	151,418	66,110
Management and planning	369,329	-	369,329	416,629	416,629	47,300
Administrative Services						
Information technology	143,584	-	143,584	190,732	190,732	47,148
Legal services	70,637	-	70,637	119,500	119,500	48,863
Human resources	111,939	-	111,939	121,310	121,310	9,371
Administrative services	68,834	-	68,834	70,712	70,712	1,878
Financial management	228,856	4,032	232,688	231,949	231,949	[739]
Codes administration	302,562	16,506	319,068	338,212	338,212	19,144
City clerk	298,751	-	298,751	297,872	297,872	[879]
	<u>1,688,100</u>	<u>12,038</u>	<u>1,700,138</u>	<u>1,938,334</u>	<u>1,938,334</u>	<u>238,196</u>
Public works and improvements						
Administration	665,241	35,225	700,466	777,945	777,945	77,479
Vehicle and equipment maintenance	502,755	-	502,755	462,866	462,866	[39,889]
Streets and drain	2,233,599	1,271	2,234,870	2,103,287	2,103,287	[131,583]
Drainage operation and maintenance	337,268	-	337,268	392,308	392,308	55,040
Miscellaneous operation and maintenance	493,193	[45,875]	447,318	544,225	544,225	96,907
Buildings and grounds	775,343	-	775,343	823,799	823,799	48,456
	<u>5,007,399</u>	<u>[9,379]</u>	<u>4,998,020</u>	<u>5,104,430</u>	<u>5,104,430</u>	<u>106,410</u>
Public safety						
Administration	367,562	-	367,562	388,076	388,076	20,514
Staff services	659,840	[8,855]	650,985	753,560	753,560	102,575
Community services	226,057	-	226,057	226,713	226,713	656
Community policing	69,290	-	69,290	114,295	114,295	45,005
Patrol	2,854,290	-	2,854,290	2,835,991	2,835,991	[18,299]
Investigations	524,568	-	524,568	583,981	583,981	59,413
Special investigations	122,593	-	122,593	180,505	180,505	57,912
DARE	218	-	218	-	-	[218]
Professional standards	149,864	-	149,864	158,373	158,373	8,509
Off duty contractual	62,414	-	62,414	69,809	69,809	7,395
Traffic	269,115	-	269,115	331,959	331,959	62,844
	<u>5,305,811</u>	<u>[8,855]</u>	<u>5,296,956</u>	<u>5,643,262</u>	<u>5,643,262</u>	<u>346,306</u>
Municipal justice						
Judicial	32,327	-	32,327	33,772	33,772	1,445
Prosecutor	48,278	-	48,278	50,510	50,510	2,232
Court clerks	313,270	[1,002]	312,268	339,496	339,496	27,228
	<u>393,875</u>	<u>[1,002]</u>	<u>392,873</u>	<u>423,778</u>	<u>423,778</u>	<u>30,905</u>
Leisure and recreation						
Community programs	124,197	-	124,197	134,081	134,081	9,884
Swimming pool	300,271	-	300,271	344,034	344,034	43,763
Swimming pool food service	68,223	-	68,223	81,311	81,311	15,088
Tennis	15,012	-	15,012	16,761	16,761	1,749
	<u>505,703</u>	<u>-</u>	<u>505,703</u>	<u>576,187</u>	<u>576,187</u>	<u>70,484</u>
Total expenditures	12,900,888	[7,198]	12,893,690	13,685,991	13,685,991	792,301
Excess [deficiency] of revenues over [under] expenditures	3,030,971	7,198	3,038,169	2,923,943	2,923,943	114,226
Other financing sources [uses]						
Transfers in	443,551	-	443,551	443,551	443,551	-
Transfers [out]	[3,540,902]	-	[3,540,902]	[7,167,430]	[7,167,430]	3,626,528
Total other financing sources [uses]	[3,097,351]	-	[3,097,351]	[6,723,879]	[6,723,879]	3,626,528
Net change in fund balance	[66,380]	7,198	[59,182]	\$ [3,799,936]	\$ [3,799,936]	\$ 3,740,754
Fund balance, beginning	4,900,485	[147,275]	4,753,210			
Fund balance, ending	\$ 4,834,105	\$ [140,077]	\$ 4,694,028			

The notes to the financial statements are an integral part of this statement.

CITY OF PRAIRIE VILLAGE, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
SOLID WASTE MANAGEMENT FUND
For the Year Ended December 31, 2010

	GAAP Basis Actual	Adjustments	Budgetary Basis Actual	Budgeted Amounts		Variance Positive [Negative]
				Original	Final	
Revenues						
Charges for services	\$ 1,477,493	\$ -	\$ 1,477,493	\$ 1,471,094	\$ 1,471,094	\$ 6,399
Licenses and permits	2,013	-	2,013	-	-	2,013
Other	7,549	-	7,549	-	-	7,549
Use of money and property	5,168	-	5,168	1,000	1,000	4,168
Total revenues	<u>1,492,223</u>	<u>-</u>	<u>1,492,223</u>	<u>1,472,094</u>	<u>1,472,094</u>	<u>20,129</u>
Expenditures						
Urban management and planning	1,490,908	-	1,490,908	1,486,809	1,486,809	[4,099]
Total expenditures	<u>1,490,908</u>	<u>-</u>	<u>1,490,908</u>	<u>1,486,809</u>	<u>1,486,809</u>	<u>[4,099]</u>
Net change in fund balance	1,315	-	1,315	\$ [14,715]	\$ [14,715]	\$ 16,030
Fund balance, beginning	<u>178,638</u>	<u>-</u>	<u>178,638</u>			
Fund balance, ending	<u>\$ 179,953</u>	<u>\$ -</u>	<u>\$ 179,953</u>			

The notes to the financial statements are an integral part of this statement.

CITY OF PRAIRIE VILLAGE, KANSAS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2010

	Pension Trust Funds
Assets	
Restricted cash	\$ 725,249
Restricted investments, at fair value	
Common stock	5,437,664
Pooled equity funds	1,863,532
Fixed income	2,922,970
Total restricted investments	<u>10,224,166</u>
Interest receivable	<u>24,474</u>
Total Assets	<u>\$ 10,973,889</u>
Liabilities	
Net assets	
Held in trust for pension benefits	<u>\$ 10,973,889</u>
Total net assets	<u>10,973,889</u>
Total liabilities and net assets	<u>\$ 10,973,889</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PRAIRIE VILLAGE, KANSAS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For the Year Ended December 31, 2010

	Pension Trust Funds
Additions:	
Contributions:	
Employer	\$ 591,825
Plan members	<u>94,585</u>
Total contributions	<u>686,410</u>
Investment Earnings:	
Interest and dividends on investments	176,071
Net increase/decrease in the fair value of investments	<u>916,643</u>
Total investment earnings	<u>1,092,714</u>
Total additions	<u>1,779,124</u>
Deductions:	
Benefits	<u>1,281,814</u>
Changes in net assets	497,310
Net assets - beginning	<u>10,476,579</u>
Net assets - ending	<u>\$ 10,973,889</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Prairie Village, Kansas (the City) is located in Johnson County and was incorporated in 1951. The City is a city of the first class and operates under a Mayor-Council form of government, providing services to its approximately 21,447 residents in many areas, including urban management and planning; public works; public safety; municipal justice; and leisure and recreation.

The accompanying basic financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to local governments. The more significant of the City's accounting policies are described below.

Component Units

In evaluating the City's financial reporting entity, management has considered whether certain organizations for which the primary government is financially accountable should be reported as component units based on the nature and significance of their relationship with the primary government. Generally, this requires reporting, as a component unit, an organization that raises and holds economic resources for the direct benefit of a governmental unit. Based on these criteria, there are no entities for which the City is considered to be financially accountable and, as such, no component units were reported in the basic financial statements.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information about the City as a whole, except for fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements. The statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the economic resources measurement focus, all economic resources and obligations of the reporting government are reported in the government-wide financial statements. Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Under Kansas State Statutes, property taxes levied during any year are considered revenues to be used to finance the budget of the ensuing year. Therefore, property taxes levied during the current year are reported as unearned revenue on the statement of net assets.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in among program revenues are reported instead as general revenues.

Program revenues reported on the statement of activities include charges for services, operational and capital grants. Program revenues are netted with program expenses to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expense. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expense.

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Each fund is considered to be a separate accounting entity, accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. Governmental resources are allocated to and accounted for within individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the City's governmental funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in aggregate.

Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property, sales, and utility franchise taxes are all considered susceptible to accrual and have been recognized as revenues of the current fiscal period. Other major revenues susceptible to accrual include interest on investments and intergovernmental revenue. Licenses and permits, fines, and recreational fees are not susceptible to accrual because they generally are not measurable until received in cash.

Property taxes levied during any year are, under Kansas State Statutes, revenues to be used to finance the budget of the ensuing year. Therefore, property taxes are recognized in the fund financial statements as taxes receivable and deferred revenue at the levy date.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, amounts expended to acquire capital assets are recorded as expenditures in the year that resources are expended, rather than as fund assets. Also, amounts paid to reduce long-term indebtedness are reported as fund expenditures.

The financial statements for the pension trust funds are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due, as the City has a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

The City reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Solid Waste Management Fund* is used to account for the operation of the City's solid waste management system, which provides for the collection, storage, and transportation of solid waste in a manner which ensures protection of the health, safety, and welfare of City residents.

The *Bond and Interest Fund* is used to account for the accumulation of resources and payment of the City's long-term debt.

The *Stormwater Fund* is used to account for the operation of the City's stormwater management program and is funded by the stormwater utility fee, a special assessment on all properties in the City based on square feet of impervious area.

The *Economic Development Fund* is used to finance activities that foster and promote economic development within the City and is funded by transfers from the General Fund.

The *Capital Projects Fund* accounts for major infrastructure project expenditures.

Additionally the City reports the following fiduciary fund type:

Pension Trust Funds, which report the Supplemental Retirement Fund and the Revised Prairie Village Police Pension Fund.

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Fund Balance, and Net Assets

1. Deposits and Investments

The City's cash and investments are considered to be demand deposits, time deposits, and cash held by the State of Kansas Municipal Investment Pool.

Investments are reported in the accompanying financial statements at fair value, except for certain certificates of deposit and investment contracts that are reported at cost because they are nontransferable, with terms unaffected by changes in market interest rates.

Changes in fair value that occur during the fiscal year are recognized as investment revenue reported for that fiscal year. Investment revenue includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

2. Receivables and Payables

Receivables are reported on the government-wide financial statements net of an allowance for uncollectibles. The largest allowance for uncollectibles is for property taxes, equal to 1.67% of the fiscal year's total property taxes assessment.

The City's property tax is levied and a lien attached each November 1 on the assessed value as of the prior January 1 for all property located in the City. The taxes are due in total by December 31, or may be paid in equal installments if paid December 20 (first installment) and the following May 10 (second installment). They are collected by the County Treasurer and subsequently remitted to the City.

Taxes receivable include property taxes levied on November 1, 2010 for 2011 of \$6,979,688, which have been recorded as deferred revenue.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets

Certain cash and investments are classified as restricted assets on the statement of net assets and balance sheet because their use is limited to repay Municipal Court bonds, fire/explosion cleanup bonds or employee Section 125 plan expenses.

5. Capital Assets

Capital assets, which include land, buildings, improvements, equipment, and infrastructure assets (streets, curbs, sidewalks, drainage systems, etc.), are reported in the government-wide financial statements as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Preservation costs, which are expected to extend the life of the asset, are capitalized.

Historically, governmental infrastructure assets have not been capitalized and reported in the financial statements. In conformity with GASB 34, infrastructure completed in the current year has been capitalized. Infrastructure assets not completed by year-end have been reported as construction in process.

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Fund Balance, and Net Assets (Continued)

5. Capital Assets (Continued)

Retroactive reporting of the City's major infrastructure assets extends to all assets. Capital assets, excluding land, are depreciated over their useful lives in the government-wide financial statements. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the statement of net assets.

Depreciation expense is calculated for capital assets, excluding land and infrastructure assets using the straight-line method and the estimated asset useful lives listed below. Depreciation expense for infrastructure assets is calculated using a composite rate based on the estimated historical cost and estimated useful life of each network of assets. The following is the estimated useful life of each network:

Asset Classification	Estimated Life
Buildings	40
Improvements other than buildings:	
Playground equipment	15
Furniture and equipment:	
Vehicles:	
Patrol	2
Street sweepers/other	7
Public works trucks, trailers, tractors	10
Public works skid loaders, backhoes	12
Office equipment:	
Computer equipment	3
Computer software	5
Office equipment (including printers/fax)	5
Telephone systems, other	10
Kitchen equipment	12
Art work	25
Field equipment:	
Mowers	5
Police tactical vests	5
Miscellaneous equipment	7
Eyewitness video systems	8
Emergency warning sirens	10
Generators, intoxilyzers, portable defibrillators, radar	
equipment, radios, salt spreaders, snow plows,	
traffic controllers, trailers	10
Light equipment	15
Firearms	20
Infrastructure:	
Pipes	40
Drainage channels	40
Drainage structures	40
Pavement - surface	20
Pavement - base & wear surface	40
Pavement - sidewalks	30
Pavement - curbs	30
Pavement - pedestrian ramps	30

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Fund Balance, and Net Assets (Continued)

6. Compensated Absences

Full-time City employees earn vacation leave based upon length of service, and unused vacation days can be carried forward to future years with certain limitations. Sick leave is earned at a rate of one day per month of employment, with a total accumulation limited to 1,120 hours or 142 days.

All vested or accumulated vacation and scheduled holiday leave is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The City estimates that the entire compensated absence liability, as of December 31, 2010, will be due within one year. The General, Solid Waste Management and the Special Alcohol Fund are used to liquidate the compensated absence liability.

7. Fund Balances

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for specific purposes.

8. Net Assets

In the government-wide financial statements, equity is displayed in three components as follows:

Invested in Capital Assets, Net of Related Debt - This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. Restricted net assets include \$35,287 for debt service, \$179,953 for solid waste, and \$26,230 for alcohol programs.

Unrestricted - This consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

9. Use of Estimates

The preparation of the basic financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), and debt service funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in the local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of the notice of hearing.
4. Adoption of the final budget on or before August 25th.

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2010

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Budgetary Information (Continued)

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The 2010 budget was amended for the Bond and Interest Fund.

The statutes permit management to transfer budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments by the City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year end. Encumbered appropriations are carried forward.

A legal operating budget is not required for the Grant Fund, Equipment Reserve Fund, Risk Management Reserve Fund, Economic Development Fund, Capital Projects Fund and the fiduciary funds.

Spending in funds which are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

The actual data presented in the budgetary comparison statements differs from the data presented in accordance with accounting principles generally accepted in the United States of America (GAAP). The following is a summary of the effects on the ending fund balances caused by the difference in accounting between the budgetary basis and GAAP.

	Major Governmental Funds						Other Nonmajor Governmental Funds	Total Governmental Funds
	General	Stormwater	Bond And Interest	Economic Development	Solid Waste Management	Capital Project		
GAAP FUND BALANCE								
December 31, 2010	\$ 4,834,105	\$ 261,343	\$ 35,287	\$ 2,147,282	\$ 179,953	\$ 5,604,888	\$ 839,039	\$ 13,901,897
Adjustments:								
Unreserved fund balances not subject to the Kansas Budget Law:								
Capital Project Fund	-	-	-	-	-	[5,604,888]	-	[5,604,888]
Equipment Reserve Fund	-	-	-	-	-	-	[717,497]	[717,497]
Risk Management Reserve Fund	-	-	-	-	-	-	[73,915]	[73,915]
Economic Development Fund	-	-	-	[2,147,282]	-	-	-	[2,147,282]
Reserve for encumbrances	[140,077]	-	-	-	-	-	-	[140,077]
Total deductions	[140,077]	-	-	[2,147,282]	-	[5,604,888]	[791,412]	[8,683,659]
BUDGETARY FUND BALANCE								
December 31, 2010	\$ 4,694,028	\$ 261,343	\$ 35,287	\$ -	\$ 179,953	\$ -	\$ 47,627	\$ 5,218,238

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2010

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The City's cash is considered to be active funds by management and is invested according to KSA 9-1401. The statute requires that banks eligible to hold active funds have a main or branch bank in the county or adjoining county in which the City is located and the banks provide an acceptable rate for active funds.

Various City investments are considered to be idle funds by management and are invested according to KSA 12-1675. The statute requires that the City invest its idle funds in only temporary notes of the City, bank certificates of deposit, repurchase agreements, and if eligible banks do not offer an acceptable rate for the funds: U.S. Treasury bills or notes or the Municipal Investment Pool (KMIP). Maturities of the above investments may not exceed two years by statute.

Some of the City's investments are of bond proceeds invested pursuant to KSA 10-131. This statute allows additional investment authority beyond that of KSA 12-1675. Investments of bond proceeds may follow KSA 12-1675 or include other investments such as the KMIP, direct obligations of the US government or any agency thereof, investment agreements with a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's investors service or Standard and Poor's corporation, and various other investments as specified in KSA 10-131.

At December 31, 2010, the City has the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Maturity</u>		
			<u>Less Than</u> <u>5 Years</u>	<u>5 - 10</u> <u>Years</u>	<u>10 - 15</u> <u>Years</u>
Kansas Municipal Investment Pool	\$ 834,300	S&P AAAf/S1+	\$834,300	\$ -	\$ -
FHLB	267,934	AAA	267,934	-	-
FHLMC	352,108	AAA	352,108	-	-
FNMA	245,783	AAA	245,783	-	-
GNMA	364,574	n/a	-	364,574	-
US Treasury Note	432,556	n/a	432,556	-	-
AT&T Inc	56,809	A2	56,809	-	-
Bank New York	76,936	AA2	76,936	-	-
BP Capital Markets	77,312	A2	77,312	-	-
Caterpillar Financial Services Corp	56,134	A2	56,134	-	-
Cisco Systems Inc	81,732	A1	-	81,732	-
Georgia Power	77,225	A3	-	77,225	-
Hewlett Packard	80,277	A2	80,277	-	-
JPMorgan Chase	77,617	AA3	77,617	-	-
Oracle	81,375	A2	-	81,375	-
Shell	78,191	AA1	-	78,191	-
Wachovia Corp	54,410	A1	54,410	-	-
John Deere Cap Corp	53,931	A2	53,931	-	-
Anheuser Busch	52,661	BAA1	52,661	-	-
Berkshire Hathaway	77,391	AA2	77,391	-	-
Directv	50,796	BAA2	50,796	-	-
Federal Farm CR	100,818	AAA	-	100,818	-
Sigma Aldrich	23,449	A2	-	23,449	-
Stryker Corp	25,800	A3	-	25,800	-
US Bancorp Medium	77,153	AA3	77,153	-	-
Total	<u>\$ 3,757,271</u>				

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2010

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest by the US government or any agency thereof, with maturities up to four years. No more than 10 percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers. The fair value of the City's position in the municipal investment pool is substantially the same as the value of the pool shares.

The City's investment policy provides direction on concentration risk. The City policy states that funds held in the General Fund and other funds shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. Diversification strategies shall be established, with periodic review and revision, as appropriate. Before a significant change in type of investments is made, staff will consult with the Finance Committee.

In establishing specific diversification strategies, the following general policies and constraints will apply:

Maturities will be staggered in a way that avoids undue concentration of assets in a specific maturity sector. Maturities will be selected which provide for income stability and reasonable liquidity.

For short term cash management fund liquidity, investment practices will be followed which ensure that funds required for the next disbursement date and payroll date are covered through maturing investments or marketable U.S. Treasury securities.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy for custodial credit risk require that the depository banks will maintain 100% security in the form of FDIC coverage and pledged collateral according to KSA 9-1402. If any mortgage is involved in the underlying value of the instruments pledged as security by an institution, City funds should be collateralized at market to 120% of total investment.

The Pension Trust Fund investments are held by a bank's trust department in the City's name. By City policy, investments should be rated A or higher. Corporate debt securities should be of investment grade or better and only domestic fixed income securities are allowed. No more than 10% of the market value of the fixed income portion of the portfolio can be invested in any obligation of a single issuer, except for the U.S. Government and its agencies. In regard to interest rate risk, the portfolio duration will not vary from the duration of the benchmark by plus or minus 20%.

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2010

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Receivables and Payables

Receivables as of December 31, 2010 for the City's major and nonmajor funds are as follows:

	<u>General</u>	<u>Stormwater</u>	<u>Bond And Interest</u>	<u>Solid Waste Management</u>	<u>Capital Project</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Taxes	\$ 4,138,073	\$ -	\$ 1,364,769	\$ -	\$ -	\$ -	\$ 5,502,842
Special assessments	-	1,565,199	-	1,669,160	-	-	3,234,359
Intergovernmental	894,516	-	-	-	865,000	148,905	1,908,421
Other	<u>554,207</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,818</u>	<u>565,025</u>
Gross receivables	5,586,796	1,565,199	1,364,769	1,669,160	865,000	159,723	11,210,647
Less allowance for uncollectibles	<u>[65,999]</u>	<u>-</u>	<u>[22,354]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>[88,353]</u>
Net receivables	<u>\$ 5,520,797</u>	<u>\$ 1,565,199</u>	<u>\$ 1,342,415</u>	<u>\$ 1,669,160</u>	<u>\$ 865,000</u>	<u>\$ 159,723</u>	<u>\$ 11,122,294</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the year, the components of deferred revenue were as follows:

	<u>General Fund</u>	<u>Stormwater</u>	<u>Solid Waste Management</u>	<u>Capital Projects</u>	<u>Bond And Interest</u>	<u>Total</u>
2010 property taxes	\$ 4,072,960	\$ -	\$ -	\$ -	\$ 1,342,538	\$ 5,415,498
Special assessments	-	1,565,199	1,669,160	-	-	3,234,359
Intergovernmental receivables	-	-	-	865,000	-	865,000
Franchise fee (unavailable)	<u>233,184</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>233,184</u>
Total deferred revenue	<u>\$ 4,306,144</u>	<u>\$ 1,565,199</u>	<u>\$ 1,669,160</u>	<u>\$ 865,000</u>	<u>\$ 1,342,538</u>	<u>\$ 9,748,041</u>

Accounts payable consist of amounts due to vendors and are expected to be paid within one year.

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2010

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Capital asset activity for the year ended December 31, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Additions/ Restatements</u>	<u>Disposals</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 13,861,866	\$ -	\$ -	\$ 13,861,866
Construction in progress	<u>533,630</u>	<u>8,740,059</u>	<u>1,501,437</u>	<u>7,772,252</u>
Total	<u>14,395,496</u>	<u>8,740,059</u>	<u>1,501,437</u>	<u>21,634,118</u>
Capital assets being depreciated:				
Buildings	6,478,483	31,276	-	6,509,759
Improvements other than buildings	1,445,899	-	-	1,445,899
Furniture and equipment	4,460,723	846,119	52,713	5,254,129
Infrastructure	<u>117,675,456</u>	<u>1,115,992</u>	<u>709,450</u>	<u>118,081,998</u>
Total	<u>130,060,561</u>	<u>1,993,387</u>	<u>762,163</u>	<u>131,291,785</u>
Less accumulated depreciation for:				
Buildings	2,613,135	170,431	-	2,783,566
Improvements other than buildings	468,275	39,379	-	507,654
Furniture and equipment	3,261,017	500,082	51,870	3,709,229
Infrastructure	<u>77,202,011</u>	<u>3,799,561</u>	<u>709,450</u>	<u>80,292,122</u>
Total	<u>83,544,438</u>	<u>4,509,453</u>	<u>761,320</u>	<u>87,292,571</u>
Total capital assets being depreciated, net	<u>46,516,123</u>	<u>[2,516,066]</u>	<u>843</u>	<u>43,999,214</u>
Governmental activities capital assets, net of depreciation	<u>\$ 60,911,619</u>	<u>\$ 6,223,993</u>	<u>\$ 1,502,280</u>	<u>\$ 65,633,332</u>

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:	
Urban management and planning	\$ 54,282
Public works	4,021,638
Public safety	263,319
Municipal justice	1,724
Leisure and recreation	<u>168,490</u>
Total	<u>\$ 4,509,453</u>

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2010

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivables, Payables, and Transfers

Receivables/Payables

Cash representing accrued revenue from the Special City Highway Fund was received by the City after December 31, 2010. This is represented by the amount of 2010 funds due to the Capital Projects Fund from the Special City Highway Fund. The remaining amounts represent administrative amounts owed to various funds.

	<u>Due from</u>	<u>Due to</u>
Major Funds:		
Capital Project Fund	\$ 127,508	\$ -
General Fund	7,416	79,874
Nonmajor Funds:		
Special City Street and Highway Fund	-	127,508
Equipment Reserve Fund	79,874	-
Grant Fund	-	7,416

Transfers

Transfers to fund capital projects, insurance reserves and economic development activities by fund for the year were as follows:

	<u>To</u>	<u>From</u>
Major funds:		
General Fund	\$ 443,551	\$ 3,540,902
Capital Projects Fund	2,927,784	5,958
Stormwater Fund	-	1,212,551
Bond and Interest Fund	1,668,144	-
Nonmajor funds:		
Special City Street and Highway Fund	-	560,000
Special Parks and Recreation Fund	-	81,435
Grants Fund	-	169,535
Equipment Reserve Fund	495,902	-
Risk Management Reserve Fund	35,000	-
	<u>\$ 5,570,381</u>	<u>\$ 5,570,381</u>

E. Leases

The City leases building and office facilities and other equipment under operating leases. Total costs for such leases were \$20,979 for the year ended December 31, 2010. The future minimum lease payments for these leases are as follows:

	<u>Amount</u>
Fiscal year ending December 31:	
2011	\$ 20,979
2012	20,979
2013	9,170
2014	2,232

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2010

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Liabilities

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities such as the swimming pool, various public parks, and the public safety facility.

Change in long-term liabilities:

	Balance December 31, <u>2009</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2010</u>	Current <u>Portion</u>
General Obligation Bonds	\$ 10,366,329	\$ -	\$ 1,803,633	\$ 8,562,696	\$ 1,803,633
Accrued Compensated Absences	<u>276,597</u>	<u>337,903</u>	<u>308,668</u>	<u>305,832</u>	<u>305,832</u>
	<u>\$ 10,642,926</u>	<u>\$ 337,903</u>	<u>\$ 2,112,301</u>	<u>\$ 8,868,528</u>	<u>\$ 2,109,465</u>

The balance outstanding as of December 31, 2010 was comprised of the following issues:

<u>Bond Issue</u>	<u>Interest Rate</u>	<u>Date Issue</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Balance Outstanding</u>
Improvement & Refunding	2.00-3.00%	11/19/09	\$ 10,221,329	9/1/14	\$ 8,562,696
			<u>\$ 10,221,329</u>		<u>\$ 8,562,696</u>

Annual debt service requirements through maturity for general obligation bonds are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year:			
2011	\$ 1,803,633	\$ 176,275	\$ 1,979,908
2012	1,843,633	140,475	1,984,108
2013	1,878,633	103,875	1,982,508
2014	1,918,633	66,575	1,985,208
2015	213,632.94	28,475	242,108
2016 - 2019	<u>904,532</u>	<u>62,900</u>	<u>967,432</u>
Total	<u>\$ 8,562,696</u>	<u>\$ 578,575</u>	<u>\$ 9,141,271</u>

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2010

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Liabilities (Continued)

Conduit Debt

The City has issued debt for economic development in prior years. This debt is issued for the benefit of third parties and the City has no obligation beyond the initial lease or loan which has been assigned to various financial or banking entities. Therefore, the bonds are not reported as a liability in the accompanying financial statements. The following is a list of the outstanding bonds as of December 31, 2010.

<u>Bond Issue</u>	<u>Interest Rate</u>	<u>Date Issue</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Balance Outstanding</u>
JC Nichols	Variable	12/1/85	\$ 4,500,000	12/1/15	\$ 4,500,000
Claridge Court	8.50-8.75%	8/28/03	9,410,000	8/1/23	9,410,000
Station Development	4.25%	7/1/01	<u>4,000,000</u>	2/1/12	<u>2,749,812</u>
			<u>\$ 17,910,000</u>		<u>\$ 16,659,812</u>

IV. OTHER INFORMATION

A. Employee Retirement Systems and Pension Plans

Pension Plans

All employees of the City, after meeting eligibility requirements, are covered under the Kansas Public Employees Retirement System (KPERS) and the Supplementary Retirement Plan, except commissioned police officers, who are covered by the Revised Prairie Village Police Pension Plan. The Supplemental Retirement and Police Pension plans are accounted for as separate Pension Trust Funds, while KPERS is administered by the State of Kansas. Each plan is described below.

Kansas Public Employees Retirement System

The City participates in KPERS, a cost-sharing, multiple-employer, defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas' law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by contacting KPERS (400 S.W. 8th Avenue, Suite 200, Topeka, Kansas, 66603-3925; 1-800-228-0366; or www.kpers.org).

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at either 4% or 6% of covered salary based on the employees tier. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rate be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. State law sets a limitation on annual increases in the contribution rates for KPERS employers. The employer rate was 6.14% for the year ended December 31, 2010. The City contributions to KPERS for the years ending December 31, 2010, 2009, and 2008 were \$190,724, \$166,421, and \$129,566, respectively, equal to the statutory required contributions for each year.

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2010

IV. OTHER INFORMATION (CONTINUED)

A. Employee Retirement Systems and Pension Plans (Continued)

Supplemental Retirement Plan

As a supplement to KPERS, the City provides a defined contribution supplementary retirement plan to all eligible employees, except commissioned police officers. The City established the plan and is the administrator of the plan. Plan provisions and contribution requirements are established by the plan document which is adopted by the City Council. This is a defined contribution plan in which the benefits depend solely on amounts contributed to the plan plus investment earnings. The City employee match portion is a contribution to their Section 457 plan. The employer matching schedule is as follows:

Employee Match <u>457 - %</u>	City Match <u>401(a) - %</u>
0.00	3.50
1.00	4.00
2.00	4.50
3.00	5.00
4.00	5.50
5.00	6.00

The plan's vesting schedule is as follows:

<u>Years</u>	<u>% Vested</u>
Less Than 2	0%
2 +	100%

Participants include sixty-nine current and former employees. City contributions for, and interest forfeited by, employees who leave employment before becoming fully vested revert to the City to offset future contributions.

The City's total payroll in 2010 was approximately \$6.1 million. The City's contributions to this defined contribution plan were based on estimated payroll of approximately \$3 million. The City made the required contributions, which amounted to \$141,825 during 2010.

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2010

IV. OTHER INFORMATION (CONTINUED)

A. Employee Retirement Systems and Pension Plans (Continued)

Supplemental Retirement Plan

A stand alone financial report is not issued for the Plan. The financial statements for the supplemental retirement plan are as follows:

Supplemental Retirement Fund
Statement of Plan Net Assets
December 31, 2010

ASSETS

Restricted cash and investments	<u>\$ 1,863,532</u>
Total assets	<u>\$ 1,863,532</u>

LIABILITIES AND NET ASSETS

Liabilities	\$ -
Net assets	
Held in trust for pension benefits	<u>1,863,532</u>
Total net assets	<u>1,863,532</u>
Total liabilities and net assets	<u>\$ 1,863,532</u>

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2010

IV. OTHER INFORMATION (CONTINUED)

A. Employee Retirement Systems and Pension Plans (Continued)

Supplemental Retirement Plan
Statement of Changes in Plan Net Assets
For the Year Ended December 31, 2010

Additions:	
Contributions :	
Employer	\$ 141,825
Total contributions	<u>141,825</u>
Investment Earnings:	
Net increase/decrease in the fair value of investments	<u>194,176</u>
Total investment earnings	<u>194,176</u>
Total additions	<u>336,001</u>
Deductions:	
Benefits	<u>663,243</u>
Changes in net assets	[327,242]
Net assets - beginning	<u>2,190,774</u>
Net assets - ending	<u>\$ 1,863,532</u>

Revised Prairie Village Police Pension Plan

The Revised Prairie Village Police Pension Plan, single-employer, defined benefit pension plan, was established in 1966 and was amended to its current form in 2006. The plan covers eligible full-time commissioned officers who have been continuously employed by the City for at least one year and who have not attained the age of retirement established by the plan. The plan provides for lifetime benefits upon retirement, along with death and disability benefits. The plan allows retirement upon attainment of twenty years of credited service, regardless of age, or attainment of age fifty-five and five years of service. A three-year average of earnings is used to determine benefits. The plan requires each participating officer to contribute 4% of earnings which earns interest each year. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. At January 1, 2010, there were forty-one active participants (three fully vested, twenty-nine partially vested and nine nonvested), six vested terminees (not currently receiving benefits), and thirty-six retired participants and beneficiaries (currently receiving benefits).

Kansas State Statutes require that current liabilities are funded currently. The plan's funding policy provides for periodic employer contributions at actuarially determined amounts that are expressed as percentages of annual covered payroll and are sufficient to accumulate assets adequate to pay benefits when due. The City's actuarially determined contribution to this defined benefit plan in 2010 was \$469,045.

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2010

IV. OTHER INFORMATION (CONTINUED)

A. Employee Retirement Systems and Pension Plans (Continued)

City contributions are authorized by local ordinance. The City may terminate the plan or its contributions at any time. Administrative costs of the Plan are financed outside of plan assets.

The City's annual pension cost and changes in the City's net pension asset/obligation consisted of the following for the year ended December 31, 2010:

Annual required contribution	\$ 469,045
Interest on net pension obligation	62
Adjustment to annual required contribution	<u>[57]</u>
Annual pension cost	<u>\$ 469,050</u>
 Annual pension cost	 \$ 469,050
Less contributions made	<u>[450,000]</u>
Increase in net pension obligation	19,050
Net pension obligation/[asset] at beginning of year	<u>780</u>
Net pension obligation/[asset] at end of year	<u>\$ 19,830</u>

The following is a schedule of employer contributions for the past three years:

Year:	Annual Required Contribution [ARC]	Percentage of APC Contributed	Annual Pension Cost [APC]	Net Pension Obligation	Net Pension Asset
2008	\$ 251,409	95%	\$ 252,344	\$ -	\$ 14,265
2009	445,120	97%	445,045	780	-
2010	469,045	96%	469,050	19,830	-

The increase in the annual pension cost is due to unfavorable actuarial experience, growth in total payroll and the mortality table updates. A separate pension plan report is not available.

Funding Status and Funding Progress. As of the year ended January 1, 2010, the most recent actuarial valuation date, the plan was 82% funded. The actuarial accrued liability for benefits was \$11,312,478 and the actuarial value of asset was \$9,300,644, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,011,834. The covered payroll (annual payroll of active employees covered by the plan) was \$2,453,257, and the ratio of the UAAL to the covered payroll was 82%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The information for the plan's funded status and funding progress was prepared using the entry age actuarial cost method, and the information presented is intended to approximate the funded status and funding progress of the plan.

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2010

IV. OTHER INFORMATION (CONTINUED)

A. Employee Retirement Systems and Pension Plans (Continued)

The financial statements for the Revised Prairie Village Police Pension Plan are as follows.

Revised Prairie Village Police Pension Plan
Statement of Plan Net Assets
December 31, 2010

ASSETS

Restricted cash and investments	\$ 9,085,883
Interest receivable	<u>24,474</u>

Total assets	<u>\$ 9,110,357</u>
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LIABILITIES AND NET ASSETS

Liabilities	\$ -
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Net assets

Held in trust for pension benefits	<u>9,110,357</u>
Total net assets	<u>9,110,357</u>

Total liabilities and net assets	<u>\$ 9,110,357</u>
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CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2010

IV. OTHER INFORMATION (CONTINUED)

A. Employee Retirement Systems and Pension Plans (Continued)

Revised Prairie Village Police Pension Plan
Statement of Changes in Plan Net Assets
For the Year Ended December 31, 2010

Additions:	
Contributions :	
Employer	\$ 450,000
Plan members	<u>94,585</u>
Total contributions	<u>544,585</u>
Investment Earnings:	
Interest and dividends on investments	176,071
Net increase/decrease in the fair value of investments	<u>722,467</u>
Total investment earnings	<u>898,538</u>
Total additions	<u>1,443,123</u>
Deductions:	
Benefits	<u>618,571</u>
Changes in net assets	824,552
Net assets - beginning	<u>8,285,805</u>
Net assets - ending	<u>\$ 9,110,357</u>

Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2010
Actuarial cost method	Aggregate
Asset valuation method	Actuarial value of plan assets as of the beginning of the prior year, increased by contributions paid and assumed interest earnings at the valuation interest rate, reduced by benefit payments during the year.
Amortization method	Average remaining service
Remaining amortization period	Approximately 6 years
Actuarial assumptions:	
Investment rate of return	8% per annum
Projected salary increases - due to merit	6.5% per year

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2010

IV. OTHER INFORMATION (CONTINUED)

B. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries commercial insurance coverage. The City has not been involved in any settlements where the amounts exceeded insurance coverage in the past three years. The following is a list of the maximum liability for each policy.

<u>Policy</u>	<u>Deductible</u>	<u>Limit</u>
Property	\$ 25,000	Agreed amounts
Equipment breakdown	25,000	Agreed amounts
Inland marine	25,000	Actual cash value
General liability	-	2,000,000
Public official and employment practices	25,000	1,000,000
Law enforcement liability	25,000	1,000,000
Commercial auto	1,000	1,000,000
Crime	1,000	500,000
Umbrella	-	10,000,000
Fiduciary	10,000	1,000,000

C. Postemployment Healthcare Plan

Plan Description. The City operates a single employer defined benefit healthcare plan administered by the City. The Employee Benefit Plan (the Plan) provides medical benefits to eligible early retirees and their spouses. KSA 12-5040 requires all local governmental entities in the state that provide a group health care plan to make participation available to all retirees and dependents until the retiree reaches the age of 65 years. No separate financial report is issued for the Plan.

Funding Policy. The contribution requirements of plan participants and the City are established and amended by the City. The required contribution is based on projected pay-as-you-go financing requirements. If retired prior to January 1, 2009, the contributions are equal to 100% of the full active premium. If retired on or after January 1, 2009, the contributions are equal to 125% of the full active premium except if the employee accepted the early retirement incentive program during 2009 they pay only 100% of the full active premium. Premium amounts are as follows:

	<u>Health</u>	<u>Dental</u>	<u>Vision</u>	<u>Total</u>
Base Plan				
Single	\$ 355.55	\$ 20.58	\$ 7.63	\$ 383.76
Single + 1	860.57	38.90	15.09	914.56
Family	1,268.21	71.70	24.81	1,364.72
Buy-up Plan				
Single	\$ 439.97	\$ 31.10	\$ 7.63	\$ 478.70
Single + 1	1,064.91	58.80	15.09	1,138.80
Family	1,569.36	108.34	24.81	1,702.51

Annual OPEB Cost and Net OPEB Obligation. The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2010

IV. OTHER INFORMATION (CONTINUED)

C. Postemployment Healthcare Plan (Continued)

any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the City's annual OPEB cost for the Plan for the year, the amount actually contributed to the plan, and the changes in the City's net OPEB obligation to the Plan:

Annual required contribution	\$ 9,324
Interest on Net OPEB Obligation	594
Adjustment to Annual Required Contribution	<u>[775]</u>
Annual OPEB cost (expense)	9,143
Benefit payments	<u>8,936</u>
Change in net OPEB obligation	207
Net OPEB obligation - beginning of year	<u>13,200</u>
Net OPEB obligation - end of year	<u>\$ 13,407</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the year ended December 31, 2010 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Obligation	Percentage of Annual OPEB Cost Contributed
December 31, 2008	\$ 22,222	\$ 9,012	\$ 13,210	40.55%
December 31, 2009	8,517	8,527	13,200	100.00%
December 31, 2010	9,143	8,936	13,407	98.00%

Funding Status and Funding Progress. As of January 1, 2009, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability for benefits was \$107,201 and the actuarial value of asset was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$107,201. The covered payroll (annual payroll of active employees covered by the plan) was \$5,242,016, and the ratio of the UAAL to the covered payroll was 2.0%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statement, presents multiyear trend information about whether the actuarial value of plan assets (if any) are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan participants) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan participants to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2010

IV. OTHER INFORMATION (CONTINUED)

C. Postemployment Healthcare Plan (Continued)

In the year ended December 31, 2009, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.5% investment rate of return, which is the rate of the employer's own investments as there are no plan assets and an annual healthcare cost trend of 10% initially, reduced by decrements to an ultimate rate of 5% after ten years. The UAAL is being amortized as a level dollar over an open thirty-year period.

D. Net Assets

The amount reported on the statement of net assets identified as invested in capital assets, net of related debt is comprised of the following:

	Governmental <u>Activities</u>
Total net capital assets	\$ 65,633,332
Less:	
Current portion of general obligations bonds	[1,803,633]
Noncurrent portion of general obligations bonds	<u>[6,759,063]</u>
Net assets - invested in capital assets, net of related debt	<u>\$ 57,070,636</u>

CITY OF PRAIRIE VILLAGE, KANSAS

**PRAIRIE VILLAGE POLICE PENSION PLAN
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2010**

Actuarial valuation date	Actuarial value of assets (a)	Actuarial accrued liability (AAL) entry age (b)	Unfunded AAL (UAAL) (b-a)	Funded ratio (a/b)	Covered payroll (c)	UAAL as a percentage of covered payroll [(b-a)/c]
2000	\$ 6,279,640	\$ 4,408,884	[1,870,756]	142.4%	\$ 1,431,900	-130.6%
2001	6,818,770	4,786,591	[2,032,179]	142.5%	1,517,220	-133.9%
2002	7,171,582	5,012,081	[2,159,501]	143.1%	1,596,240	-135.3%
2003*	7,510,292	N/A*	N/A	N/A	1,665,102	N/A
2004	7,980,584	N/A*	N/A	N/A	1,877,088	N/A
2005	8,458,475	N/A*	N/A	N/A	1,964,033	N/A
2006	8,946,395	N/A*	N/A	N/A	2,002,039	N/A
2007**	9,472,318	8,608,129	[864,189]	110.0%	2,214,722	N/A
2008	9,986,591	9,822,242	[164,349]	101.7%	2,337,311	N/A
2009	8,626,028	10,413,740	1,787,712	82.8%	2,369,803	75.4%
2010	9,300,644	11,312,478	2,011,834	82.2%	2,453,257	82.0%

*The aggregate actuarial cost method does not have an unfunded actuarial accrual liability.

**The actuarial accrued liability determined using the entry age normal cost method is displayed beginning in 2007, in accordance with GASB No. 50.

Year:	Annual Required Contribution [ARC]	Percentage of APC Contributed	Annual Pension Cost [APC]	Net Pension Obligation	Net Pension Asset
2008	\$ 251,409	95%	\$ 252,344	\$ -	\$ 14,265
2009	445,120	97%	445,045	780	-
2010	469,045	96%	469,050	19,830	-

The increase in the annual pension cost is due to unfavorable actuarial experience, growth in total payroll and the mortality table updates.

Valuation date	January 1, 2010
Actuarial cost method	Aggregate
Asset valuation method	Actuarial value of plan assets as of the beginning of the prior year, increased by contributions paid and assumed interest earnings at the valuation interest rate, reduced by benefit payments during the year.
Amortization method	Average remaining service
Remaining amortization period	Approximately 6 years
Actuarial assumptions:	
Investment rate of return	8% per annum
Projected salary increases - due to merit	6.5% per year

CITY OF PRAIRIE VILLAGE, KANSAS
OTHER POST-EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2010

Schedule of Employer Contributions:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>	<u>Percentage of Annual OPEB Cost Contributed</u>
December 31, 2008	\$ 22,222	\$ 9,012	\$ 13,210	40.55%
December 31, 2009	8,517	8,527	13,200	100.00%
December 31, 2010	9,143	8,936	13,407	98.00%

Schedule of Funding Progress:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (b)</u>	<u>Unfunded AAL (b) - (a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as Percent of Payroll (b-a)/(c)</u>
1/1/2008	\$ -	\$ 187,455	\$ 187,455	0.0%	\$ 4,992,396	3.8%
1/1/2009	-	107,201	107,201	0.0%	5,242,016	2.0%

The information for the preceding year was not available.

CITY OF PRAIRIE VILLAGE, KANSAS
COMBINING STATEMENTS - NONMAJOR FUNDS
NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

1. **Special City Street and Highway Fund** - This fund accounts for gasoline taxes designated for construction and maintenance of the City streets and curbing and related expenditures.
2. **Special Parks and Recreation Fund** - This fund is used to fund various City-sponsored park and recreation activities funded by the state liquor tax.
3. **School Alcohol Fund** - This fund accounts for the operation of services and programs pertaining to alcohol misuse and is funded by the state liquor tax.
4. **Grant Fund** – This fund accounts for the revenues and expenditures related to state and federal grants.
5. **Equipment Reserve** – This fund accounts for large equipment purchases, including computer software, and is funded by transfers from the General Fund.
6. **Risk Management Reserve Fund** - This fund is used to pay the costs associated with uninsured losses and is funded by transfers from the General Fund.

CITY OF PRAIRIE VILLAGE, KANSAS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2010

ASSETS	Special City Street and Highway	Special Parks and Recreation	Special Alcohol	Grant	Equipment Reserve	Risk Management Reserve	Totals
Cash and investments	\$ -	\$ -	\$ 26,545	\$ -	\$ 654,693	\$ 73,463	\$ 754,701
Other receivable	-	-	-	7,416	-	3,402	10,818
Prepaid expenditures	-	-	938	-	-	-	938
Due from other governments	148,905	-	-	-	-	-	148,905
Due from other funds	-	-	-	-	79,874	-	79,874
Total assets	\$ 148,905	\$ -	\$ 27,483	\$ 7,416	\$ 734,567	\$ 76,865	\$ 995,236
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ -	\$ -	\$ 307	\$ -	\$ 17,070	\$ 2,950	\$ 20,327
Accrued payroll	-	-	946	-	-	-	946
Due to other funds	127,508	-	-	7,416	-	-	134,924
Total liabilities	127,508	-	1,253	7,416	17,070	2,950	156,197
Fund balances							
Reserved for prepaid expenditures	-	-	938	-	-	-	938
Unreserved and undesignated	21,397	-	25,292	-	717,497	73,915	838,101
Total fund balances	21,397	-	26,230	-	717,497	73,915	839,039
Total liabilities and fund balances	\$ 148,905	\$ -	\$ 27,483	\$ 7,416	\$ 734,567	\$ 76,865	\$ 995,236

See independent auditor's report on the financial statements.

CITY OF PRAIRIE VILLAGE, KANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 For the Year Ended December 31, 2010

	Special City Street and Highway	Special Parks and Recreation	Special Alcohol	Grant	Equipment Reserve	Risk Management Reserve	Total
Revenues							
Intergovernmental	\$ 581,397	\$ 78,666	\$ 78,666	\$ 183,068	\$ 201,359	\$ -	\$ 1,123,156
Other	-	-	100	-	-	64,560	64,660
Use of money and property	-	18	110	-	3,930	-	4,058
Total revenues	581,397	78,684	78,876	183,068	205,289	64,560	1,191,874
Expenditures							
Current:							
Urban management and planning	-	-	-	2,517	-	108,662	111,179
Public safety	-	-	70,091	11,016	-	-	81,107
Leisure, recreation	-	-	15,000	-	-	-	15,000
Capital outlay	-	-	-	-	712,521	-	712,521
Total expenditures	-	-	85,091	13,533	712,521	108,662	919,807
Excess [deficiency] of revenues over [under] expenditures	581,397	78,684	[6,215]	169,535	[507,232]	[44,102]	272,067
Other financing sources [uses]							
Transfers in	-	-	-	-	495,902	35,000	530,902
Transfers [out]	[560,000]	[81,435]	-	[169,535]	-	-	[810,970]
Total other financing sources [uses]	[560,000]	[81,435]	-	[169,535]	495,902	35,000	[280,068]
Net change in fund balances	21,397	[2,751]	[6,215]	-	[11,330]	[9,102]	[8,001]
Fund balances, beginning	-	2,751	32,445	-	728,827	83,017	847,040
Fund balances, ending	\$ 21,397	\$ -	\$ 26,230	\$ -	\$ 717,497	\$ 73,915	\$ 839,039

See independent auditor's report on the financial statements.

CITY OF PRAIRIE VILLAGE, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
SPECIAL CITY STREET AND HIGHWAY FUND
For the Year Ended December 31, 2010

	GAAP Basis Actual	Adjustments	Budgetary Basis Actual	Budgeted Amounts		Variance Positive [Negative]
				Original	Final	
Revenues						
Intergovernmental	\$ 581,397	\$ -	\$ 581,397	\$ 560,000	\$ 560,000	\$ 21,397
Total revenues	<u>581,397</u>	<u>-</u>	<u>581,397</u>	<u>560,000</u>	<u>560,000</u>	<u>21,397</u>
Expenditures						
Public works	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess [deficiency] of revenues over [under] expenditures	<u>581,397</u>	<u>-</u>	<u>581,397</u>	<u>560,000</u>	<u>560,000</u>	<u>21,397</u>
Other financing sources [uses]						
Transfers [out]	<u>[560,000]</u>	<u>-</u>	<u>[560,000]</u>	<u>[560,000]</u>	<u>[560,000]</u>	<u>-</u>
Total other financing sources [uses]	<u>[560,000]</u>	<u>-</u>	<u>[560,000]</u>	<u>[560,000]</u>	<u>[560,000]</u>	<u>-</u>
Net change in fund balance	21,397	-	21,397	\$ -	\$ -	\$ 21,397
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>			
Fund balance, ending	<u>\$ 21,397</u>	<u>\$ -</u>	<u>\$ 21,397</u>			

See independent auditor's report on the financial statements.

CITY OF PRAIRIE VILLAGE, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
SPECIAL PARKS AND RECREATION FUND
For the Year Ended December 31, 2010

	GAAP Basis Actual	Adjustments	Budgetary Basis Actual	Budgeted Amounts		Variance Positive [Negative]
				Original	Final	
Revenues						
Intergovernmental	\$ 78,666	\$ -	\$ 78,666	\$ 86,000	\$ 86,000	\$ [7,334]
Use of money and property	18	-	18	-	-	18
Total revenues	<u>78,684</u>	<u>-</u>	<u>78,684</u>	<u>86,000</u>	<u>86,000</u>	<u>[7,316]</u>
Expenditures						
Leisure and recreation	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess [deficiency] of revenues over [under] expenditures	<u>78,684</u>	<u>-</u>	<u>78,684</u>	<u>86,000</u>	<u>86,000</u>	<u>[7,316]</u>
Other financing sources [uses]						
Transfers [out]	<u>[81,435]</u>	<u>-</u>	<u>[81,435]</u>	<u>[86,000]</u>	<u>[86,000]</u>	<u>4,565</u>
Total other financing sources [uses]	<u>[81,435]</u>	<u>-</u>	<u>[81,435]</u>	<u>[86,000]</u>	<u>[86,000]</u>	<u>4,565</u>
Net change in fund balance	[2,751]	-	[2,751]	\$ -	\$ -	\$ [2,751]
Fund balance, beginning	<u>2,751</u>	<u>-</u>	<u>2,751</u>			
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>			

See independent auditor's report on the financial statements.

CITY OF PRAIRIE VILLAGE, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
SPECIAL ALCOHOL FUND

For the Year Ended December 31, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance Positive [Negative]
				Original	Final	
Revenues						
Intergovernmental	\$ 78,666	\$ -	\$ 78,666	\$ 86,000	\$ 86,000	\$ [7,334]
Use of money and property	110	-	110	-	-	110
Miscellaneous	100	-	100	-	-	100
Total revenues	<u>78,876</u>	<u>-</u>	<u>78,876</u>	<u>86,000</u>	<u>86,000</u>	<u>[7,124]</u>
Expenditures						
Public safety	70,091	-	70,091	72,202	72,202	2,111
Leisure, recreation	15,000	-	15,000	15,000	15,000	-
Total expenditures	<u>85,091</u>	<u>-</u>	<u>85,091</u>	<u>87,202</u>	<u>87,202</u>	<u>2,111</u>
Net change in fund balance	[6,215]	-	[6,215]	\$ [1,202]	\$ [1,202]	\$ [5,013]
Fund balance, beginning	<u>32,445</u>	<u>-</u>	<u>32,445</u>			
Fund balance, ending	<u>\$ 26,230</u>	<u>\$ -</u>	<u>\$ 26,230</u>			

See independent auditor's report on the financial statements.

CITY OF PRAIRIE VILLAGE, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
DEBT SERVICE FUND
For the Year Ended December 31, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance Positive [Negative]
				Original	Final	
Revenues						
Taxes	\$ 305,501	\$ -	\$ 305,501	\$ 299,018	\$ 299,018	\$ 6,483
Use of money and property	<u>1,283</u>	<u>-</u>	<u>1,283</u>	<u>200</u>	<u>200</u>	<u>1,083</u>
Total revenues	<u>306,784</u>	<u>-</u>	<u>306,784</u>	<u>299,218</u>	<u>299,218</u>	<u>7,566</u>
Expenditures						
Debt service						
Principal	1,790,000	-	1,790,000	265,000	1,790,000	-
Interest and other charges	<u>169,654</u>	<u>-</u>	<u>169,654</u>	<u>41,278</u>	<u>169,654</u>	<u>-</u>
Total expenditures	<u>1,959,654</u>	<u>-</u>	<u>1,959,654</u>	<u>306,278</u>	<u>1,959,654</u>	<u>-</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[1,652,870]</u>	<u>-</u>	<u>[1,652,870]</u>	<u>[7,060]</u>	<u>[1,660,436]</u>	<u>7,566</u>
Other financing sources [uses]						
Transfers in	<u>1,668,144</u>	<u>-</u>	<u>1,668,144</u>	<u>-</u>	<u>1,662,186</u>	<u>5,958</u>
Total other financing sources [uses]	<u>1,668,144</u>	<u>-</u>	<u>1,668,144</u>	<u>-</u>	<u>1,662,186</u>	<u>5,958</u>
Net change in fund balance	15,274	-	15,274	<u>\$ [7,060]</u>	<u>\$ 1,750</u>	<u>\$ 13,524</u>
Fund balance, beginning	<u>20,013</u>	<u>-</u>	<u>20,013</u>			
Fund balance, ending	<u>\$ 35,287</u>	<u>\$ -</u>	<u>\$ 35,287</u>			

See independent auditor's report on the financial statements.

CITY OF PRAIRIE VILLAGE, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
STORMWATER FUND
For the Year Ended December 31, 2010

	GAAP Basis Actual	Adjustments	Budgetary Basis Actual	Budgeted Amounts		Variance Positive [Negative]
				Original	Final	
Revenues						
Licenses and permits	\$ 2,870	\$ -	\$ 2,870	\$ 7,000	\$ 7,000	\$ [4,130]
Charges for services	1,470,947	-	1,470,947	1,505,301	1,505,301	[34,354]
Use of money and property	3,152	-	3,152	5,000	5,000	[1,848]
Total revenues	<u>1,476,969</u>	<u>-</u>	<u>1,476,969</u>	<u>1,517,301</u>	<u>1,517,301</u>	<u>[40,332]</u>
Expenditures						
Public works	<u>3,075</u>	<u>-</u>	<u>3,075</u>	<u>37,600</u>	<u>37,600</u>	<u>[34,525]</u>
Total expenditures	<u>3,075</u>	<u>-</u>	<u>3,075</u>	<u>37,600</u>	<u>37,600</u>	<u>[34,525]</u>
Excess [deficiency] of revenues over [under] expenditures	<u>1,473,894</u>	<u>-</u>	<u>1,473,894</u>	<u>1,479,701</u>	<u>1,479,701</u>	<u>[5,807]</u>
Other financing sources [uses]						
Transfers [out]	<u>[1,212,551]</u>	<u>-</u>	<u>[1,212,551]</u>	<u>[1,479,701]</u>	<u>[1,479,701]</u>	<u>267,150</u>
Total other financing sources [uses]	<u>[1,212,551]</u>	<u>-</u>	<u>[1,212,551]</u>	<u>[1,479,701]</u>	<u>[1,479,701]</u>	<u>267,150</u>
Net change in fund balance	261,343	-	261,343	\$ -	\$ -	\$ 261,343
Fund balance, beginning	-	-	-			
Fund balance, ending	<u>\$ 261,343</u>	<u>\$ -</u>	<u>\$ 261,343</u>			

See independent auditor's report on the financial statements.

CITY OF PRAIRIE VILLAGE, KANSAS
COMBINING STATEMENTS - FIDUCIARY FUNDS

Pension Trust Funds

1. The **Supplemental Retirement Fund** accounts for the activities of the Supplement Pension Benefit Plan and Trust, which accumulates resources for pension benefit payments to qualified employees.
2. The **Revised Prairie Village Police Pension Fund** accounts for the activities of the Prairie Village Police Department Retirement Trust, which accumulates resources for pension benefit payments to qualified public safety officers.

CITY OF PRAIRIE VILLAGE, KANSAS

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2010

ASSETS	Supplemental Retirement Fund	Revised Prairie Village Police Pension Fund	Total
Restricted cash	\$ -	\$ 725,249	\$ 725,249
Restricted investments, at fair value			
Common stock	-	5,437,664	5,437,664
Pooled equity funds	1,863,532	-	1,863,532
Fixed income	-	2,922,970	2,922,970
Total restricted investments	<u>1,863,532</u>	<u>8,360,634</u>	<u>10,224,166</u>
Interest receivable	-	24,474	24,474
 Total assets	 <u>\$ 1,863,532</u>	 <u>\$ 9,110,357</u>	 <u>\$ 10,973,889</u>
 LIABILITIES AND NET ASSETS			
Liabilities			
Net assets			
Held in trust for pension benefits	\$ 1,863,532	\$ 9,110,357	\$ 10,973,889
Total net assets	<u>1,863,532</u>	<u>9,110,357</u>	<u>10,973,889</u>
 Total liabilities and net assets	 <u>\$ 1,863,532</u>	 <u>\$ 9,110,357</u>	 <u>\$ 10,973,889</u>

See independent auditor's report on the financial statements.

CITY OF PRAIRIE VILLAGE, KANSAS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

For the Year Ended December 31, 2010

	Supplemental Retirement Fund	Revised Prairie Village Police Pension Fund	Total
Contributions :			
Employer	\$ 141,825	\$ 450,000	\$ 591,825
Plan members	-	94,585	94,585
Total contributions	<u>141,825</u>	<u>544,585</u>	<u>686,410</u>
Investment Earnings:			
Interest and dividends on investments	-	176,071	176,071
Net increase/decrease in the fair value of investments	<u>194,176</u>	<u>722,467</u>	<u>916,643</u>
Total investment earnings	<u>194,176</u>	<u>898,538</u>	<u>1,092,714</u>
Total additions	<u>336,001</u>	<u>1,443,123</u>	<u>1,779,124</u>
Deductions:			
Benefits	<u>663,243</u>	<u>618,571</u>	<u>1,281,814</u>
Changes in net assets	[327,242]	824,552	497,310
Net assets - beginning	<u>2,190,774</u>	<u>8,285,805</u>	<u>10,476,579</u>
Net assets - ending	<u>\$ 1,863,532</u>	<u>\$ 9,110,357</u>	<u>\$ 10,973,889</u>

See independent auditor's report on the financial statements.

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CITY OF PRAIRIE VILLAGE, KANSAS

Statistical Section (Unaudited)

This part of the City of Prairie Village's *Comprehensive Annual Financial Report (CAFR)* presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economical Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report related to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Financial Report for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

TABLE 1
(UNAUDITED)

CITY OF PRAIRIE VILLAGE, KANSAS
NET ASSETS BY COMPONENT
LAST TEN YEARS (1)
(Accrual Basis of Accounting)

	2003	2004	2005	2006	2007	2008	2009	2010
Governmental Activities								
Invested in capital assets, net of related debt	\$ 18,554,912	\$ 45,044,626	\$ 46,196,856	\$ 52,232,309 (2)	\$ 55,776,952	\$ 58,921,876	\$ 62,148,880	\$ 57,070,636
Restricted	87,141	128,990	168,564	230,513	197,827	258,683	233,847	241,470
Unrestricted	<u>7,322,045</u>	<u>8,448,010</u>	<u>9,826,449</u>	<u>11,662,290</u>	<u>10,370,135</u>	<u>9,283,608</u>	<u>7,107,359</u>	<u>13,092,359</u>
Total Net Assets	<u>\$ 25,964,098</u>	<u>\$ 53,621,626</u>	<u>\$ 56,191,869</u>	<u>\$ 64,125,112</u>	<u>\$ 66,344,914</u>	<u>\$ 68,464,167</u>	<u>\$ 69,490,086</u>	<u>\$ 70,404,465</u>

(1) Data became available with the inception of GASB 34 during fiscal year 2003, therefore 10 years of data is unavailable

(2) The large increase in capital assets net of related debt is due to the City retroactive capitalization of the Drainage Channel and Sidewalk infrastructure network values prior to 2003.

Source: City of Prairie Village, Kansas Basic Financial Statements.

TABLE 2
(UNAUDITED)

CITY OF PRAIRIE VILLAGE, KANSAS
CHANGE IN NET ASSETS
LAST TEN YEARS (1)
(Accrual Basis of Accounting)

	2003	2004	2005	2006	2007	2008	2009	2010
Expenses								
Governmental Activities:								
Urban management and planning	\$ 2,660,559	\$ 2,843,833	\$ 2,929,560	\$ 2,843,021	\$ 2,994,369	\$ 3,132,048	\$ 3,354,849	\$ 3,272,655
Public works	3,597,853	6,743,408	6,174,532	8,807,244	8,203,302	7,684,541	8,834,376	9,767,738
Public safety	4,172,054	4,293,500	4,606,977	4,919,202	5,063,596	5,102,560	5,453,093	5,111,387
Municipal justice	240,887	260,073	280,708	343,226	349,769	370,433	389,952	370,192
Leisure and recreation	1,096,950	817,561	787,935	824,395	924,399	917,170	713,252	689,398
Interest on Long-Term Debt	165,211	148,189	130,238	112,434	93,165	72,658	88,186	186,968
Total Primary Government Expenses	11,933,514	15,106,564	14,909,950	17,849,522	17,628,600	17,279,410	18,833,708	19,398,338
Program Revenues								
Governmental Activities:								
Fees, fines, and charges for services								
Urban management and planning	1,496,591	1,551,881	1,582,253	1,591,817	1,606,386	1,723,680	1,767,715	1,905,694
Public works	60,140	58,243	53,508	72,508	72,054	107,855	1,498,500	1,550,652
Public safety	1,614,123	1,714,819	1,830,196	2,139,920	2,163,163	2,204,404	2,213,361	2,326,639
Municipal justice	48,818	46,922	46,916	65,557	59,540	64,725	43,313	3,826
Leisure and recreation	435,432	380,729	426,946	436,041	441,399	429,579	437,850	473,123
Operating grants and contributions								
Urban management and planning	-	-	-	-	-	-	15,000	2,517
Public works	-	-	-	-	-	-	-	169,534
Public safety	11,338	3,355	71,318	3,197	11,821	6,564	22,890	11,016
Capital grants and contributions								
Public works	390,246	745,288	544,352	517,484	1,918,004	728,705	354,076	30,197
Public safety	-	-	-	-	-	-	-	201,359
Total Primary Government Program Revenues	4,056,688	4,501,237	4,555,489	4,826,524	6,272,367	5,285,512	6,352,705	6,674,557
Total Primary Government Net [Expense]	[7,876,826]	[10,605,327]	[10,354,461]	[13,022,998]	[11,356,233]	[12,013,898]	[12,481,003]	[12,723,781]
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Taxes:								
Property taxes	3,996,633	4,027,484	4,149,331	4,217,789	4,476,911	5,177,298	5,265,998	5,278,073
Sales and use tax	4,735,080	5,237,058	5,298,202	5,301,867	5,262,107	5,219,057	4,839,903	4,843,179
Motor vehicle tax	431,049	560,644	569,568	556,985	531,497	513,573	544,505	551,285
Franchise tax	1,615,189	1,567,167	1,629,419	1,629,706	1,681,147	1,829,831	1,717,002	1,792,180
Grants and contributions not restricted to specific program	899,494	890,611	935,916	957,868	912,307	971,712	919,500	935,569
Investment earnings	122,111	164,161	309,886	579,452	662,691	335,599	125,136	126,307
Miscellaneous	226,286	299,944	63,695	110,661	49,375	86,081	80,613	111,567
Total primary government	12,025,842	12,747,069	12,956,017	13,354,328	13,576,035	14,133,151	13,492,657	13,638,160
Change in Net Assets								
Governmental activities	\$ 4,149,016	\$ 2,141,742	\$ 2,601,556	\$ 331,330	\$ 2,219,802	\$ 2,119,253	\$ 1,011,854	\$ 914,379
		(2)		(2)				

(1) Data became available with the inception of GASB 34 during fiscal year 2003, therefore 10 years of data is unavailable.

(2) The decrease in the change in net assets between 2003 and 2004 is due to additional depreciation expense in 2004 resulting from the retroactive addition of most of the infrastructure networks.

The decrease in the change in net assets between 2005 and 2006 is due to additional depreciation expense in 2006 resulting from the retroactive addition of the Drainage Channel and Sidewalk infrastructure networks. In addition, the City incurred additional street maintenance expenses.

Source: City of Prairie Village, Kansas Basic Financial Statements.

TABLE 3
(UNAUDITED)

CITY OF PRAIRIE VILLAGE, KANSAS
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(Modified Accrual Basis of Accounting)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
General Fund				
Reserved	\$ 227,413	\$ 234,573	\$ 203,932	\$ 372,558
Unreserved	<u>5,483,953</u>	<u>6,862,479</u>	<u>5,605,517</u>	<u>6,992,836</u>
Total General Fund	<u>\$ 5,711,366</u>	<u>\$ 7,097,052</u>	<u>\$ 5,809,449</u>	<u>\$ 7,365,394</u>
 All Other Governmental Funds				
Reserved	\$ 795,994	\$ 298,285	\$ 318,886	\$ 328,523
Unreserved, reported in:				
Special revenue funds	87,713	64,765	87,141	126,483
Capital project funds	<u>894,128</u>	<u>1,409,342</u>	<u>1,314,525</u>	<u>1,005,883</u>
Total All Other Governmental Funds	<u>\$ 1,777,835</u>	<u>\$ 1,772,392</u>	<u>\$ 1,720,552</u>	<u>\$ 1,460,889</u>

Source: City of Prairie Village, Kansas Basic Financial Statements.

TABLE 3
(UNAUDITED)

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 301,539	\$ 106,738	\$ 261,411	\$ 278,309	\$ 241,521	\$ 223,607
<u>8,319,287</u>	<u>8,961,513</u>	<u>6,579,448</u>	<u>4,273,620</u>	<u>4,658,964</u>	<u>4,610,498</u>
<u>\$ 8,620,826</u>	<u>\$ 9,068,251</u>	<u>\$ 6,840,859</u>	<u>\$ 4,551,929</u>	<u>\$ 4,900,485</u>	<u>\$ 4,834,105</u>
\$ 1,017,735	\$ 945,184	\$ 1,116,475	\$ 131,782	\$ 274,972	\$ 36,225
155,504	233,061	1,783,241	2,879,583	3,204,956	3,426,679
<u>482,713</u>	<u>1,978,556</u>	<u>1,186,432</u>	<u>2,382,006</u>	<u>11,060,360</u>	<u>5,604,888</u>
<u>\$ 1,655,952</u>	<u>\$ 3,156,801</u>	<u>\$ 4,086,148</u>	<u>\$ 5,393,371</u>	<u>\$ 14,540,288</u>	<u>\$ 9,067,792</u>

TABLE 4
(UNAUDITED)

CITY OF PRAIRIE VILLAGE, KANSAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(Modified Accrual Basis of Accounting)

	<u>2001</u>	<u>2002</u>	<u>2003</u>
Revenues			
Taxes, Net	\$ 9,088,035	\$ 8,938,293	\$ 10,687,234
Intergovernmental	2,634,454	4,782,758	1,260,055
Licenses and permits	340,086	312,230	351,017
Charges for services	1,467,067	1,547,520	2,413,516
Fines and forfeitures	381,582	488,565	727,073
Recreational fees	390,023	442,569	435,432
Use of money and property	516,450	255,070	122,110
Other	59,274	173,426	226,288
Total revenues	<u>14,876,971</u>	<u>16,940,431</u>	<u>16,222,725</u>
Expenditures			
Urban management and planning	2,273,106	2,619,356	2,661,683
Public works	2,841,247	5,613,507	3,396,033
Public safety	3,740,892	3,911,193	4,132,170
Municipal justice	195,487	209,873	238,120
Leisure and recreation	610,793	663,919	974,433
Capital outlay	4,446,209	5,045,797	2,630,252
Debt service			
Principal	1,950,000	365,000	380,000
Interest and other charges	288,814	186,843	170,785
Total expenditures	<u>16,346,548</u>	<u>18,615,488</u>	<u>14,583,476</u>
Excess of revenues over [under] expenditures	<u>[1,469,577]</u>	<u>[1,675,057]</u>	<u>1,639,249</u>
Other financing sources [uses]			
Transfers in	5,018,049	4,540,583	2,145,190
Transfers out	[5,018,049]	[4,540,583]	[2,145,190]
Bond premium	-	-	-
Sale of bonds	-	-	-
Total other financing sources [uses]	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ [1,469,577]</u>	<u>\$ [1,675,057]</u>	<u>\$ 1,639,249</u>
Debt service as a percentage of noncapital expenditures	18.81%	4.07%	4.61%

Source: City of Prairie Village, Kansas Basic Financial Statements.

TABLE 4
(UNAUDITED)

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 11,394,015	\$ 11,639,349	\$ 11,709,149	\$ 11,927,153	\$ 12,727,356	\$ 12,349,694	\$ 12,464,717
1,584,852	1,475,639	1,387,941	2,746,509	1,590,358	1,198,401	1,232,019
350,032	384,820	390,233	396,755	459,552	413,294	441,168
2,479,063	2,551,749	2,678,435	2,781,749	2,953,846	4,466,317	4,665,931
751,101	820,766	1,047,023	999,862	1,006,365	959,292	992,645
380,729	426,946	436,041	441,399	429,579	437,850	473,123
164,160	312,631	579,452	662,691	335,600	125,115	126,307
284,805	63,249	110,661	49,393	86,081	80,625	119,116
<u>17,388,757</u>	<u>17,675,149</u>	<u>18,338,935</u>	<u>20,005,511</u>	<u>19,588,737</u>	<u>20,030,588</u>	<u>20,515,026</u>
2,828,508	2,897,745	2,801,131	2,960,677	3,154,433	3,314,992	3,338,416
3,339,749	3,194,551	3,721,868	4,080,429	4,301,887	4,540,778	5,010,474
4,239,918	4,720,791	4,946,932	4,999,368	5,363,206	5,610,354	5,386,918
256,843	279,083	333,271	359,473	372,212	389,608	393,875
695,588	658,556	713,470	699,781	759,294	556,029	520,703
4,278,825	3,891,276	3,320,269	7,648,966	6,064,642	5,218,463	9,443,862
400,000	415,000	435,000	455,000	475,000	1,060,000	1,790,000
154,154	136,338	118,720	99,862	79,770	66,220	169,654
<u>16,193,585</u>	<u>16,193,340</u>	<u>16,390,661</u>	<u>21,303,556</u>	<u>20,570,444</u>	<u>20,756,444</u>	<u>26,053,902</u>
<u>1,195,172</u>	<u>1,481,809</u>	<u>1,948,274</u>	<u>[1,298,045]</u>	<u>[981,707]</u>	<u>[725,856]</u>	<u>[5,538,876]</u>
3,206,952	3,505,769	4,230,400	7,173,939	6,795,069	4,971,475	5,570,381
[3,206,952]	[3,505,769]	[4,230,400]	[7,173,939]	[6,795,069]	[4,971,475]	[5,570,381]
-	-	-	-	-	136,329	-
-	-	-	-	-	10,085,000	-
-	-	-	-	-	10,221,329	-
<u>\$ 1,195,172</u>	<u>\$ 1,481,809</u>	<u>\$ 1,948,274</u>	<u>\$ [1,298,045]</u>	<u>\$ [981,707]</u>	<u>\$ 9,495,473</u>	<u>\$ [5,538,876]</u>
4.65%	4.48%	4.24%	4.01%	4.11%	7.29%	11.65%

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TABLE 5
(UNAUDITED)

CITY OF PRAIRIE VILLAGE, KANSAS
GENERAL GOVERNMENT TAX REVENUES BY SOURCE
LAST TEN YEARS
December 31, 2010
(Unaudited)

<u>Fiscal Year</u> <u>December 31,</u>	<u>Property</u> <u>Tax</u>	<u>Local</u> <u>Sales</u> <u>Tax</u>	<u>County</u> <u>Sales</u> <u>Tax</u>	<u>Speciality</u> <u>Sales</u> <u>Tax</u>	<u>Use</u> <u>Tax</u>	<u>Franchise</u> <u>Tax</u>	<u>Motor</u> <u>Vehicle Tax(1)</u>	<u>Total</u>
2001	\$ 3,118,194	\$ 1,982,453	\$ 1,641,964	\$ 368,342	\$ 322,205	\$ 1,654,877	\$ -	\$ 9,088,035
2002	3,333,898	1,861,125	1,583,295	395,772	338,867	1,425,336	-	8,938,293
2003	3,916,657	1,874,469	1,571,589	785,796	503,226	1,524,472	511,025	10,687,234
2004	4,027,484	1,930,870	1,578,930	789,467	937,791	1,568,829	560,644	11,394,015
2005	4,142,158	1,970,758	1,584,624	792,314	950,506	1,629,419	569,570	11,639,349
2006	4,217,789	1,972,630	1,582,283	791,143	955,811	1,632,508	556,985	11,709,149
2007	4,452,402	2,021,733	1,573,552	786,777	880,045	1,681,147	531,497	11,927,153
2008	5,177,298	2,053,216	1,651,955	825,979	687,907	1,817,429	513,572	12,727,356
2009	5,265,998	1,953,924	1,510,595	755,300	620,084	1,699,288	544,505	12,349,694
2010	5,278,073	2,023,730	1,412,107	698,682	708,660	1,792,180	551,285	12,464,717

(1)- For 2001 through 2002, motor vehicle property taxes were included as intergovernmental revenue

Source: City of Prairie Village, Kansas Basic Financial Statements.

TABLE 6
(UNAUDITED)

CITY OF PRAIRIE VILLAGE, KANSAS
LOCAL SALES TAX COLLECTIONS
LAST TEN YEARS (1)
December 31, 2010
(Unaudited)

	Local Sales Tax Collected									
Category	2002	2003	2004	2005	2006	2007	2008	2009	2010	
Gas Station	\$ 36,516	\$ 31,293	\$ 17,538	\$ 15,377	\$ 14,927	\$ 20,631	\$ 15,954	\$ 10,932	\$ 20,727	
Grocery Store	539,611	505,803	515,013	526,631	524,210	549,053	577,775	565,778	553,777	
Home Occupation	29,774	25,325	17,272	15,336	15,409	18,424	14,835	11,147	12,515	
Restaurant	173,526	191,741	190,202	210,468	219,634	217,308	215,035	203,252	225,575	
Retail	670,385	688,450	776,541	830,545	854,960	863,501	799,277	755,276	709,671	
Utility	403,373	431,796	414,304	372,401	343,490	352,816	430,340	407,539	501,465	
Total	\$ 1,853,185	\$ 1,874,408	\$ 1,930,870	\$ 1,970,758	\$ 1,972,630	\$ 2,021,733	\$ 2,053,216	\$ 1,953,924	\$ 2,023,730	

Note (1) - Data became available in 2002, therefore 10 years of data is unavailable.

Source: Kansas Department of Revenue.

TABLE 6
(UNAUDITED)

Taxable Sales								
<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 3,651,630	\$ 3,129,300	\$ 1,753,800	\$ 1,537,700	\$ 1,492,700	\$ 2,063,100	\$ 1,595,400	\$ 1,093,200	\$ 2,072,700
53,961,100	50,580,300	51,501,300	52,663,100	52,421,000	54,905,300	57,777,500	56,577,800	55,377,700
2,977,400	2,532,500	1,727,200	1,533,616	1,540,900	1,842,400	1,483,500	1,114,700	1,251,500
17,352,600	19,174,100	19,020,200	21,046,800	21,963,400	21,730,800	21,503,500	20,325,200	22,557,500
67,038,500	68,845,000	77,654,100	83,054,500	85,496,000	86,350,100	79,927,700	75,527,604	70,967,100
<u>40,337,300</u>	<u>43,179,600</u>	<u>41,430,400</u>	<u>37,240,100</u>	<u>34,349,000</u>	<u>35,281,600</u>	<u>43,034,000</u>	<u>40,753,900</u>	<u>50,146,400</u>
<u>\$ 185,318,530</u>	<u>\$ 187,440,800</u>	<u>\$ 193,087,000</u>	<u>\$ 197,075,816</u>	<u>\$ 197,263,000</u>	<u>\$ 202,173,300</u>	<u>\$ 205,321,600</u>	<u>\$ 195,392,404</u>	<u>\$ 202,372,900</u>

TABLE 7
(UNAUDITED)

CITY OF PRAIRIE VILLAGE
ASSESSED AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY (1)
LAST TEN YEARS
December 31, 2010

Fiscal Year	<u>Real Property(1)</u>		<u>Personal Property(2)</u>	
	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>
2001	\$ 224,870,291	\$ 1,775,888,681	\$ 11,255,014	\$ 36,364,658
2002	233,177,860	1,841,496,804	10,972,412	35,413,694
2003	240,559,204	1,899,790,166	10,049,767	32,312,991
2004	246,178,002	2,072,880,390	9,613,535	30,783,709
2005	259,785,677	2,188,001,305	10,021,010	32,061,045
2006	266,529,461	2,285,977,515	10,021,789	32,062,360
2007	278,114,544	2,382,712,905	9,330,574	29,639,819
2008	284,173,687	2,440,934,520	8,211,168	25,875,024
2009	279,586,647	2,411,417,190	7,465,621	23,451,017
2010	273,059,648	2,364,085,300	7,205,909	22,538,872

(1) - The County Assessor values real property as required by State Statute and rulings of the State Board of Tax Appeals. Prior to 1989, real property was valued at 24% of estimated values. Real property is now valued at different percentages which reflect the property's use. Residential land, improvement, and vacant lots (estimated at 83% of real property) are assessed at 11.5% of actual value. Commercial land and improvements are assessed at 25% of actual value.

(2) - Personal property is assessed at 30% of actual value. State assessed utilities are assessed at 33%.

TABLE 7
(UNAUDITED)

	<u>Total Assessed Value</u>		<u>Estimated Actual Value</u>	<u>Ratio of Assessed Value to Estimated Actual Value</u>	<u>Total Direct Tax Rate</u>
\$	236,125,305	\$	1,812,253,339	13.03%	13.382
	244,150,272		1,876,910,498	13.01%	15.744
	250,608,971		1,932,103,157	12.97%	15.765
	255,791,537		2,103,664,099	12.16%	15.843
	269,806,687		2,220,062,350	12.15%	15.720
	276,551,250		2,318,039,875	11.93%	16.133
	287,445,118		2,412,352,724	11.92%	18.166
	292,384,855		2,466,809,544	11.85%	18.182
	287,052,268		2,434,868,207	11.79%	18.179
	280,265,557		2,386,624,172	11.74%	18.877

TABLE 8
(UNAUDITED)

CITY OF PRAIRIE VILLAGE, KANSAS
PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS
PER \$1,000 OF ASSESSED VALUATION
LAST TEN YEARS
December 31, 2010

Year Ended December 31,	State	City	County	School District	Johnson County Community College	Consolidated Fire District	Unified Waste Water	Johnson County Library	Johnson County Parks and Recreation
2001	1.5	13.382	16.3330	38.6990	7.743	7.703	4.181	2.971	1.382
2002	1.5	15.744	16.2210	42.2380	9.428	8.008	0.000	2.948	1.602
2003	1.5	15.765	16.3810	37.7740	9.432	9.240	0.000	2.954	2.365
2004	1.5	15.843	16.0410	42.6550	9.438	9.241	0.000	2.956	2.367
2005	1.5	15.720	17.9220	49.7480	8.960	9.405	0.000	2.955	2.286
2006	1.5	16.133	17.9490	51.9800	8.872	9.335	0.000	2.960	2.290
2007	1.5	18.166	17.9850	52.0080	8.749	9.356	0.000	2.962	2.295
2008	1.5	18.182	17.7670	52.0940	8.768	8.992	0.000	3.057	2.341
2009	1.5	18.179	17.7160	55.3180	8.784	8.991	0.000	3.151	2.346
2010	1.5	18.877	17.7480	57.1920	8.799	10.074	0.000	3.158	2.350

Information provided by the Johnson County, Kansas County Clerk's Annual Abstract of Taxes.

Note A: Overlapping rates are those of local and county government that apply to property owners within the City of Prairie Village. Not all overlapping rates apply to all Prairie Village property owners.

TABLE 9
(UNAUDITED)

CITY OF PRAIRIE VILLAGE, KANSAS

PRINCIPAL TAXPAYERS
December 31, 2010 and Nine Years Ago

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2010 Assessed Valuation</u>	<u>Rank</u>	<u>% of Total Assessed Valuation</u>	<u>2001 Assessed Valuation</u>	<u>Rank</u>	<u>% of Total Assessed Valuation</u>
Highwoods Realty Limited	Real Estate	\$ -		0.00%	\$ 16,403,874	1	6.95%
PV Retail Partners, LLC	Real Estate	6,236,184	1	2.23%	-		0.00%
CSN Retail Partners, LLC	Real Estate	4,981,312	2	1.78%	-		0.00%
J.C. Nichols Co.	Real Estate	-		0.00%	1,600,605	4	0.68%
Towers Properties Company	Real Estate	3,360,250	3	1.20%	-		0.00%
State Line OPCO LLC	Real Estate	2,472,000	5	0.88%	-		0.00%
Kansas City Power & Light	Utility	2,746,170	4	0.98%	2,166,858	3	0.92%
Wilmington Trust Company	Real Estate	-		0.00%	2,788,450	2	1.18%
May Department Stores	Retail	-			1,536,157	5	0.65%
Victor L. Regnier Trust	Real Estate	-		0.00%	1,475,000	6	0.62%
Southwestern Bell Telephone	Utility	-		0.00%	1,118,575	8	0.47%
Lockton Insurance Agency, Inc.	Insurance Agent	-			815,390	10	0.35%
Kenilworth L.L.C.	Real Estate	1,743,630	6	0.62%	-		0.00%
CSS Retail Partners, LLC	Real Estate	1,497,002	7	0.53%	-		0.00%
HCP MA4	Real Estate	1,377,504	9	0.49%	-		0.00%
Kansas Gas Service	Utility	1,415,207	8	0.50%	-		0.00%
Prairie Village Office Center	Real Estate	1,021,500	10	0.36%	-		0.00%
Melody W. Sutherland	Real Estate	-		0.00%	976,697	9	0.41%
Marriott Senior Living	Adult living facility	-		0.00%	1,264,230	7	0.54%
Total		\$ 26,850,759		9.57%	\$ 30,145,836		12.77%

Source: Johnson County Clerks Office

TABLE 10
(UNAUDITED)

CITY OF PRAIRIE VILLAGE, KANSAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS
December 31, 2010

<u>Year Ended December 31.</u>		<u>Total Tax Levy</u>		<u>Current Taxes Collected</u>	<u>Percent of Levy Collected</u>		<u>Delinquent Tax Collections</u>
2001	\$	2,983,450	\$	2,889,696	96.86%	\$	18,774
2002		3,159,829		3,091,234	97.83%		27,653
2003		3,843,902		3,770,837	98.10%		38,661
2004		4,052,505		3,991,470	98.49%		36,014
2005		4,170,531		4,101,195	98.34%		40,963
2006		4,387,093		4,177,028	95.21%		40,761
2007		4,461,602		4,404,837	98.73%		47,565
2008		5,223,069		5,151,333	98.63%		25,965
2009		5,316,020		5,229,025	98.36%		36,973
2010		5,290,573		5,197,682	98.24%		80,391

TABLE 10
(UNAUDITED)

	<u>Total Tax Collections</u>	<u>Ratio of Total Tax Collections to Tax Levy</u>		<u>Outstanding Delinquent Taxes</u>	<u>Percent of Delinquent Taxes to Total Levy</u>
\$	2,908,470	97.5%	\$	293,812	10.10%
	3,118,887	98.7%		335,684	10.76%
	3,809,498	99.1%		370,088	9.71%
	4,027,484	99.4%		395,109	9.81%
	4,142,158	99.3%		423,482	10.22%
	4,217,789	96.1%		592,786	14.05%
	4,452,402	99.8%		601,986	13.52%
	5,177,298	99.1%		647,757	12.51%
	5,265,998	99.1%		697,779	13.25%
	5,278,073	99.8%		710,279	13.46%

TABLE 11
(UNAUDITED)

CITY OF PRAIRIE VILLAGE, KANSAS
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Total</u>	<u>City Population</u>	<u>Personal Income</u>	<u>Debt Per Capita</u>	<u>Percentage of Personal Income</u>
2001	\$ 4,130,000	\$ 4,130,000	21,962	\$ 761,576,274	188	0.54%
2002	3,765,000	3,765,000	21,514	746,040,978	175	0.50%
2003	3,385,000	3,385,000	21,514	746,040,978	157	0.45%
2004	2,985,000	2,985,000	21,729	753,496,533	137	0.40%
2005	2,570,000	2,570,000	21,887	758,975,499	117	0.34%
2006	2,135,000	2,135,000	21,511	745,936,947	99	0.29%
2007	1,680,000	1,680,000	21,414	742,573,278	78	0.23%
2008	1,205,000	1,205,000	21,422	742,850,694	56	0.16%
2009	10,366,329	10,366,329	21,479	744,827,283	483	1.39%
2010	8,562,696	8,562,696	21,447	743,717,619	399	1.15%

Source: Johnson County Clerk and City of Prairie Village Records.

TABLE 12
(UNAUDITED)

CITY OF PRAIRIE VILLAGE, KANSAS
RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED
VALUE AND NET GENERAL OBLIGATION DEBT PER CAPITA
LAST TEN YEARS
December 31, 2010

<u>Year Ended December 31.</u>	<u>Population(1)</u>	<u>Assessed Value</u>	<u>Gross Bonded Debt</u>	<u>Less Debt Service Fund</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt per Capita</u>
2001	21,962	\$ 236,125,305	\$ 4,130,000	\$ -	\$ 4,130,000	1.75%	\$ 188.05
2002	21,514	244,150,272	3,765,000	21,308	3,743,692	1.53%	174.01
2003	21,514	250,608,971	3,385,000	20,601	3,364,399	1.34%	156.38
2004	21,514	255,791,537	2,985,000	48,181	2,936,819	1.15%	136.51
2005	21,887	269,806,687	2,570,000	52,633	2,517,367	0.93%	115.02
2006	21,511	276,551,250	2,135,000	48,310	2,086,690	0.75%	97.01
2007	21,414	287,445,118	1,680,000	30,121	1,649,879	0.57%	77.05
2008	21,422	292,384,855	1,205,000	35,735	1,169,265	0.40%	54.58
2009	21,479	287,052,268	10,366,329	20,013	10,346,316	3.60%	481.69
2010	21,447	280,265,557	8,562,696	35,287	8,527,409	3.04%	397.60

(1) Information provided by the Johnson County Economic Research Institute.

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TABLE 13
(UNAUDITED)

CITY OF PRAIRIE VILLAGE, KANSAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
December 31, 2010

<u>Name of Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Prairie Village</u>	<u>Amount Applicable to City of Prairie Village</u>
Direct debt:			
City of Prairie Village, Kansas	\$ 8,562,696	100.00%	\$ 8,562,696
Overlapping debt: (1)			
Johnson County	240,565,000	3.75%	9,021,188
Shawnee Mission School (U.S.D. 512)	236,370,000	9.63%	22,762,431
Fire District #2	1,375,000	38.72%	532,400
Johnson County Parks and Recreation	3,625,000	3.75%	135,938
Total overlapping debt	481,935,000		32,451,957
Total direct and overlapping debt	\$ 490,497,696		\$ 41,014,653

(1) Information provided by Johnson County Clerk's Office.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the overlapping debt of those overlapping governments that is borne by the resident and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value. This approach was also applied to the other debt of the overlapping governmental units.

TABLE 14
(UNAUDITED)

CITY OF PRAIRIE VILLAGE, KANSAS
COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Total Assessed Valuation of Taxable Property	\$ 236,125,305	\$ 244,150,272	\$ 250,608,971	\$ 255,791,537
Debt Limit Percent of Assessed Value	<u>30.00%</u>	<u>30.00%</u>	<u>30.00%</u>	<u>30.00%</u>
Debt Limit	70,837,592	73,245,082	75,182,691	76,737,461
Total net debt applicable to limit	<u>4,130,000</u>	<u>3,765,000</u>	<u>3,385,000</u>	<u>2,985,000</u>
Legal Debt Margin	<u>\$ 66,707,592</u>	<u>\$ 69,480,082</u>	<u>\$ 71,797,691</u>	<u>\$ 73,752,461</u>
Total Net Debt Applicable To The Limit As A Percentage of Debt Limit	5.83%	5.14%	4.50%	3.89%

Note: Under State finance law, the City's outstanding general obligation debt should not exceed 30 percent of the total assessed property value.

Source: Assessed valuation from Johnson County Clerk.

TABLE 14
(UNAUDITED)

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 269,806,687	\$ 276,551,250	\$ 287,445,118	\$ 292,384,855	\$ 287,052,268	\$ 280,265,557
30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
80,942,006	82,965,375	86,233,535	87,715,457	86,115,680	84,079,667
<u>2,570,000</u>	<u>2,135,000</u>	<u>1,680,000</u>	<u>1,205,000</u>	<u>10,366,329</u>	<u>8,562,696</u>
<u>\$ 78,372,006</u>	<u>\$ 80,830,375</u>	<u>\$ 84,553,535</u>	<u>\$ 86,510,457</u>	<u>\$ 75,749,351</u>	<u>\$ 75,516,971</u>
3.18%	2.57%	1.95%	1.37%	12.04%	10.18%

TABLE 15
(UNAUDITED)

CITY OF PRAIRIE VILLAGE, KANSAS
DEMOGRAPHIC STATISTICS
LAST TEN YEARS
December 31, 2010

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>School Enrollment</u>	<u>Unemployment Rate (1)</u>	<u>Per Capita Personal Income</u>	<u>Personal Income</u>
2001	21962	6954	3.7%	\$ 34,677	\$ 761,576,274
2002	21514	6750	4.3%	34,677	746,040,978
2003	21514	6573	3.9%	34,677	746,040,978
2004	21729	6563	4.3%	34,677	753,496,533
2005	21887	6145	4.5%	34,677	758,975,499
2006	21511	6054	4.1%	34,677	745,936,947
2007	21414	5992	4.0%	34,677	742,573,278
2008	21422	5884	4.8%	34,677	742,850,694
2009	21479	5833	4.8%	34,677	744,827,283
2010	21447	5120	6.8%	34,677	743,717,619

(1) Obtained from Johnson County Economic Research Institute and Bureau of Census.
Unemployment rates are for Johnson County.

TABLE 16
(UNAUDITED)

CITY OF PRAIRIE VILLAGE, KANSAS
PRINCIPAL EMPLOYERS
December 31, 2010 and Nine Years Ago

<u>Employer</u>	December 31, 2010			December 31, 2001		
	Employees	Rank	Percentage of Total Employment	Employees (1)	Rank	Percentage of Total Employment
USD #512	485	1	2.26%	Not Available		0.00%
Hy-Vee	196	2	0.91%	Not Available		0.00%
Claridge Court	121	3	0.56%	Not Available		0.00%
Brighton Gardens	110	4	0.51%	Not Available		0.00%
Hen House #22	109	5	0.51%	Not Available		0.00%
City of Prairie Village	104	6	0.48%	Not Available		0.00%
Macy's	99	7	0.46%	Not Available		0.00%
Country Club Bank	80	8	0.37%	Not Available		0.00%
Hen House #28	79	9	0.37%	Not Available		0.00%
Cosentino Service Corporation	79	10	0.37%	Not Available		0.00%
Total	<u>1,462</u>		<u>6.80%</u>	<u>-</u>		<u>0.00%</u>

Source: City of Prairie Village.

TABLE 17
(UNAUDITED)

CITY OF PRAIRIE VILLAGE, KANSAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
For the Year Ended December 31, 2010

<u>Function/Program</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Public Safety/Municipal Justice					
911 Calls Received	7,569	7,806	7,999	8,115	8,055
DUI Arrests	292	236	228	208	200
Traffic/Parking Complaints	3,766	7,099	9,815	8,563	11,960
Accidents	531	467	585	615	593
Investigations Cases	560	414	417	449	441
Total Court Cases Processed	12,597	11,687	13,729	11,849	12,522
Public Works					
Curb Miles Swept	1,933	2,106	2,897	1,630	1,360
Number of Catch Basins Cleaned	1,557	1,923	2,492	1,851	2,056
Number of Potholes Patched	7,986	2,124	4,660	2,874	1,002
Streets Slurry Sealed (Square Yards)	63,513	68,725	64,668	86,743	95,925
Streets Milled and Overlaid (Linear Feet)	17,451	12,350	13,482	15,759	11,895
Sidewalk Replaced (Square Yards)	10,966	5,713	7,556	6,023	3,951
Curb and Gutter Replaced (Linear Feet)	52,925	36,016	33,982	37,251	27,097
Acres of Lawn Mowed	1,231	1,160	1,214	1,314	1,319
Urban Management and Planning					
Building Permits Processed	1,138	973	1,007	1,215	1,169
Building Inspections Performed	2,371	2,041	2,230	2,651	2,309
Plan Reviews Performed	260	235	259	293	333
Leisure and Recreation					
Facility Reservations Processed	675	724	1,016	1,392	1,415
Facility Reservation Revenue	32,536	35,578	27,557	27,028	22,750
Pool Memberships Sold	4,583	4,018	4,192	4,317	4,724
Pool Revenue	396,373	365,902	357,444	400,951	198,717
Tennis Lessons Taught	258	192	133	121	186
Junior Tennis League Memberships Sold	67	68	82	98	104
Tennis Program Revenue	13,514	14,293	16,742	13,421	14,574

Source: City of Prairie Village

Data became available in 2006, therefore 10 years of data is unavailable.

TABLE 18
(UNAUDITED)

CITY OF PRAIRIE VILLAGE, KANSAS
FULL TIME CITY EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
General Government										
City Administrator	-	-	3.9	3.9	3.9	3.9	3.9	4.0	4.4	4.0
Legal	-	-	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Licensing/Personnel	-	-	6.0	6.0	6.0	6.0	6.0	6.0	4.9	4.9
Finance (Includes IT)	-	-	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
Municipal Court	-	-	6.1	6.1	6.1	4.8	4.3	4.3	4.3	4.3
Planning	-	-	3.1	3.1	3.1	3.1	3.2	3.0	3.0	3.2
City Governance *	2.4	2.4	-	-	-	-	-	-	-	-
Administrative Services *	11.7	12.7	-	-	-	-	-	-	-	-
Municipal Court *	6.1	6.1	-	-	-	-	-	-	-	-
Public Works	28.0	29.0	29.0	29.0	29.0	29.0	27.0	28.0	28.0	27.0
Police	61.0	61.0	62.0	61.0	61.0	58.0	58.0	58.0	57.0	55.0
Parks & Recreation	<u>20.8</u>	<u>20.8</u>	<u>20.8</u>	<u>21.0</u>	<u>21.0</u>	<u>20.8</u>	<u>20.8</u>	<u>20.3</u>	<u>20.4</u>	<u>21.2</u>
Total	130.0	132.0	133.1	132.3	132.3	127.8	125.4	125.8	124.2	121.8

Source: City of Prairie Village Budget Document.

* Note: Categories changed to reflect the categories used in the budget document.

TABLE 19
(UNAUDITED)

CITY OF PRAIRIE VILLAGE, KANSAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Police										
Stations	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Public Works										
Miles of streets	114.4	114.4	114.4	112.5	112.5	112.5	112.5	112.5	112.5	112.5
Streetlights	2,165.0	2,165.0	2,165.0	2,154.0	2,146.0	1,990.0	1,990.0	1,990.0	1,990.0	*
Parks & Recreation										
Parks	12.0	12.0	12.0	11.0	11.0	9.0	9.0	9.0	9.0	9.0
Park acreage	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0
Pools	6.0	6.0	6.0	5.0	6.0	5.0	5.0	5.0	5.0	5.0
Golf courses (private)	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0

Source: City of Prairie Village Budget Document.

* City owned streetlights were not accounted for prior to 2002.